AN INQUIRY INTO SOCIAL HOUSING FOR BRITISH COLUMBIA

COMMON GROUND IN MEETING CORE NEED

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FINAL REPORT
AUGUST 11, 1986

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Commissioners:

Chairman:	James C. Cosh
Vice-Chairman:	Shelley M. Tratch
Commissioner:	James Cutt

TABLE OF CONTENTS

Chapter — Page

I TERMS OF REFERENCE 1

PART ONE -- INTRODUCTION 3

II INTRODUCTION 4

- A. The Commission of Inquiry 4
- B. The objectives of this report 8
- C. The logic of the report 9
- D. A note on terms and data 10

III HIGHLIGHTS 11

- A. The objectives of this report 11
- B. Social housing: definition and issues 11
- C. Profile of housing need in British Columbia 12
- D. The British Columbia social housing delivery system 13
- E. Review of recent studies 15
- F. A review of existing social housing programs 16
- G. Major weaknesses in the present social housing system 19
- H. The need for a social housing management system 21
- I. A system for managing the social housing sector 22
- J. Key findings 23
- K. Ten major recommendations 24

IV SOCIAL HOUSING: DEFINITIONS AND ISSUES 27

- A. A definition and conceptual framework 28
- B. Some causes of social housing need 30
- C. Basic figures 31
- D. Social housing and market housing programs 32
- E. Operational definition of social housing need 32
- F. Toward a common operational definition 39

Chapter Page

PART TWO -- THE PRESENT SITUATION 41

V A PROFILE OF HOUSING NEED IN BRITISH COLUMBIA 42

A. Has the level of need changed over time? 43
B. What is the current level of need? 45
C. What are the characteristics of the population now in need? 48
D. Affordability is the major social housing problem 50
E. The future demand for social housing 50

VI THE BRITISH COLUMBIA SOCIAL HOUSING DELIVERY SYSTEM 52

A. Development of the delivery system 53
B. The new federal-provincial agreement 57
C. Components of the current system 60
D. Access to the system 68
E. Outputs and expenditures 71

VII A REVIEW OF RECENT STUDIES ON SOCIAL HOUSING PROGRAMS 80

A. Federal studies 81
B. B.C. studies 86
C. Other evaluations 88
D. Summary 91

VIII AN ASSESSMENT OF EXISTING SOCIAL HOUSING PROGRAMS 93

A. Our approach to the review 95
B. Provincial Rental Assistance Program (PRAP) 96
C. B.C. Housing Management Commission (BCHMC) 98
D. Shelter aid for elderly renters 99
E. Guaranteed available income for need 102
F. Non-profit housing co-operatives 106
G. The needs effectiveness of the overall system 111

Chapter Page

IX MAJOR WEAKNESSES IN THE PRESENT SOCIAL HOUSING SYSTEM 116

A. Problems in the administration and delivery of the social housing system 117
B. Evidence about abuses and mismanagement of the social housing delivery system 127

PART THREE — TOWARD AN IMPROVED SYSTEM 132

X SO WHAT IS CAUSING THE PROBLEMS? 133

A. There is a lack of effective coordination among provincial ministries 134
B. What needs to be done? 139
C. Create a social housing committee and management process 140
D. Criteria for improvement 142

XI A SYSTEM FOR MANAGING THE SOCIAL HOUSING SECTOR 145

A. An overview of a proposed social housing management system 145
B. Four key segments of the social housing system 152

PART FOUR — FINDINGS AND RECOMMENDATIONS 169

XII KEY FINDINGS 170

A. Resources are not delivered in proportion to need 171
B. Social housing need must be defined in a better way 172
C. The case for greater use of shelter allowances 173
D. Findings on alleged abuses and mismanagement 183
E. Increasing the production of affordable housing through regulatory reform 184
F. Forms of alternative housing 186
G. Resource groups 187
H. Greater security of tenure for tenants 189

Chapter **Page**

XIII TEN MAJOR RECOMMENDATIONS 191

XIV A FINAL WORD 193

APPENDICES (separate volume)

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I

TERMS OF REFERENCE

The Commission of Inquiry was officially appointed on March 27, 1986 by the Lieutenant Governor in Council of the Province of British Columbia, through Order-in-Council No. 710 issued under Part II of the Inquiry Act of British Columbia (Appendix A).

The objective of the Commission, as established by the government in this Order-in-Council, was:

> "To inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing."

We delivered to the Lieutenant Governor in Council a preliminary report on April 21, 1986 and, since that time, have been working toward completion of this final report.

The mandate of the inquiry was to conduct a fair and thorough investigation, within the terms of reference. In so doing, the Commission had the power to determine its own rules of procedure. We were legally empowered by the Inquiry Act to compel the attendance of witnesses and the production of documents relating to the inquiry. We were authorized to hold any meetings we thought necessary.

Any Commission of Inquiry constituted under provincial legislation may not express opinions or focus its inquiry upon specific criminal offenses. Similarly, a provincial inquiry cannot look directly into any matter that is within the legislative jurisdiction of the federal government. However, where the terms of reference of the inquiry necessarily involve matters which fall within both provincial and federal jurisdictions, the inquiry may consider federal legislation or programming as an incidental part of its investigation. Accordingly, in inquiring into the effectiveness of the delivery of social housing in British Columbia in serving those most in need, our investigations have included incidental considerations of the National Housing Act of Canada and various social housing programs delivered in the province under this legislation.

We have not specifically addressed the delivery of social housing to status or registered Indians living on reserved lands in British Columbia. These issues fall within the exclusive jurisdiction of the federal government.

The inquiry is required to report its findings to the Lieutenant Governor in Council. Each report must be tabled with the Legislative Assembly within

15 days of completion or, if the Legislative Assembly is not then sitting, within 15 days after the opening of the next session. Any decision to make the report public prior to that date rests with the provincial government.

The following report complies with these terms of reference.

PART ONE

INTRODUCTION

II

INTRODUCTION

A. THE COMMISSION OF INQUIRY

1. Commission members and support services

The Order-in-Council establishing the Inquiry also set the basic framework for its organization.

Three Commissioners were appointed. They were:

- Chairman James C. Cosh. Mr. Cosh is a chartered accountant and the managing partner of the Vancouver office of Thorne Riddell, the national chartered accounting firm.
- Vice-Chairman Shelley M. Tratch. Ms. Tratch is a barrister and solicitor with the Vancouver law firm of Ladner Downs.
- Commissioner James Cutt. Dr. Cutt is a professor of public administration at the University of Victoria.

All three have general familiarity with the public policy process, but have not been and are not now personally associated with either private or public sector agencies directly involved with social housing.

The Commission was authorized to secure necessary professional services. These included:

- The appointment of Swinton and Company of Vancouver to provide legal counsel and advice. Mr. Donald J. Sorochan, barrister and solicitor, was appointed counsel to the Commission.
- Retaining Connor Development Services Limited of Victoria to organize the extensive public consultation process. This included documentation and analysis of the results of these events.
- Contracting with Thorne Stevenson & Kellogg, the national management consulting firm, to handle data collection, analyses, and assist with preparing the interim and final reports. Members of the Thorne Riddell staff, both support and professional, also assisted.

- Hill & Knowlton, the public relations firm, was hired to help with news media relations.

- Price Waterhouse, the national accounting firm, was asked to examine certain financial information underlying social housing activities. In particular, they were asked to look at the financial position of the co-operatives which appeared before the Commission's formal hearings. A representative of the firm presented both a financial overview of these co-ops and an impression of their fiscal management practices.

In late March, the Commission opened an office in the Board of Trade Building, 1200 - 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, and it remained open until the end of June. Members of the public were able to contact the Commission by letter, telephone or personal visit to this address. An office manager was hired.

2. Methods of Inquiry

In one of its very first meetings, the Commission made a decision to recommend solutions to the problems before it which were technically sound, but which also were broadly acceptable to the social housing community. This decision was reflected in the subtitle of our interim report "The Search for Common Ground."

So in planning the inquiry process, the Commission needed to gather information from all interested segments of the social housing community. We saw it as vital to "inventory" the range of opinions and to "map" the positions of different agencies on these issues. This information was essential if we were to find the common ground.

The Commission also sought regular contact with the news media to ensure that the public was informed about the inquiry process (Appendix B). A clipping service was engaged to monitor news media responses.

To gather information, the Commission decided to use two different means: an informational approach and an investigative approach.

a) The informational approach began with an invitation to the general public and interested groups and individuals to express their views. This invitation was extended through an advertisement (Appendix C) which appeared for three days in Vancouver and Victoria newspapers and once in provincial papers.

The Commission also sent a letter to 26 groups contributing to a recent British Columbia Housing Management Commission (BCHMC) study (Appendix D).

The groups were invited to make additions to their earlier briefs, copies of which were obtained by the Commission from BCHMC. Those who had not prepared briefs for the BCHMC study were invited to prepare submissions for this Commission.

The Commission received a total of 153 written submissions (Appendix E). Of these, 84 were from the general public, eight from the building industry, three from real estate organizations, nine from government, 37 from church and social advocacy groups, 10 from official representatives of housing co-operatives, and two from co-operative housing advisory groups. All but 28 submissions came from the Lower Mainland.

On April 4-7, the Commission held six workshops, to obtain views from various groups on the problems facing social housing, the policy objectives which should be pursued and the program options which should be explored. Representatives of 71 interest groups in six different categories (seniors, disabled, low-income, women with special needs, housing industry and public service agencies) were invited to attend the workshops.

Representatives of 47 groups attended the workshops to discuss issues laid out by the Commission (Appendix F). Detailed minutes (Appendix G) of the discussions were recorded and sent to participants.

Following the workshops, 12 representatives from various groups, most of them selected by the participants at the previous meetings, joined the Commissioners for a half-day plenary workshop (Appendix H). This session, held on April 17, produced a more detailed review of issues, needs, programs and policy options. Minutes of this plenary session are provided in Appendix I.

To provide a contact point for all interested persons, a telephone hotline was established at the Commission's office and a recording device for use after regular business hours was installed. Commission research staff answered telephone inquiries, recorded position statements and complaints and referred those with particular concerns to the right place.

Approximately 85 separate telephone interviews were conducted and logged. In addition, a substantial number of repeat calls were received These were not logged separately unless a new issue or concern was expressed. Calls for general information or clarification were also not logged.

The Commission also gathered data on social housing in B.C. Staff collected social housing information on each of 10 communities (Appendix J). Commissioners individually visited Nanaimo, Kamloops, Trail and Cranbrook to see social housing projects and meet knowledgeable local politicians, community leaders, social housing managers and residents, labour representatives and social service agencies. Brief reports of these visits are presented in Appendix K.

To familiarize themselves with social housing policies, programs and procedures, the Commissioners arranged for informal briefings given by informed individuals. A list of individuals contacted is provided in Appendix L.

Based on findings from submissions, workshops, informal briefings, hotline calls and community visits, the Commission issued a preliminary report -- The Search for Common Ground -- on April 21. Over 500 copies of this report were distributed to all who had made written submissions and other interested parties.

The Commission then sponsored a day-long Social Housing Conference to provide an opportunity for open discussion of the preliminary report. This conference, held in the Robson Square Media Centre in Vancouver on May 31, was attended by 105 participants. A brief summary of Conference proceedings is provided in Appendix M.

b) An investigative approach was used by the Commission to deal with allegations of improprieties in the social housing system. The Commission felt that a judicial-style formal process with provisions for accepting evidence under oath and cross-examination of witnesses would be necessary to properly investigate alleged abuses and mismanagement. Consequently, the Commission held formal public Hearings of Inquiry (June 2-5). Advertisements requesting members of the public to come forward if they had evidence of abuse were placed in major newspapers (Appendix N). In addition, Commission counsel reviewed all written submissions and hotline calls, and contacted all individuals who had made relevant allegations. If their complaints appeared to be substantiated, they were invited to testify before the Commission. In total, 28 individuals appeared as witnesses at the Hearings. A summary of procedures for the Hearings is provided in Appendix O. Some of these spoke of alleged abuses, others provided descriptive information on how social housing operates.

3. Preparation of Final Report

By June, having completed the process of public inquiry, the Commission began preparing its final report. With major consultation and research activities completed, the Commission office was closed on June 30th. At that time, the Commission Chairman sent a letter to all groups and individuals participating in the inquiry, thanking them for their views, comments and suggestions and advising them about anticipated publication dates for the final report (Appendix P). Writing the final report continued throughout July and into early August.

4. Disposition of Commission papers

Commission papers are being placed in the Provincial Archives. Included in the papers are all written submissions received by the Commission and full transcripts of the Hearings of Inquiry.

B. THE OBJECTIVES OF THIS REPORT

This Commission was instructed "to inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing." These instructions arose because of the provincial government's wish to direct a greater proportion of the available housing resources to those in "core need." Accordingly, we defined our purpose as finding the answers to two questions:

- Is the percentage of existing social housing resources going to the core needy already as high as the system can reasonably make it?
- If greater efficiency is possible, what are the means by which this can be done?

There are two ways to interpret the province's intent to focus more resources on those in core need. The first is to assume the province wants to know what percentage of the present recipients of housing services are in the core need category; and what share of the total expenditures they are receiving.

The second interpretation requires more extensive analysis. In this version, the province wishes to know what percentage of the total number of British Columbia households with core need is now being served; and what percentage is being missed. Related issues are the percentage of the total social housing expenditures going to those with core need and the additional costs of reaching a greater percentage of those in core need. The province may also be interested in knowing more of its options for methods of transferring funds toward those who are, and away from those who are not, in core housing need.

After consideration of the evidence it heard during initial public consultations, the Commission opted for the second interpretation. This choice had two effects. The first was to raise a much larger set of policy and technical issues. Inevitably, given the time and data readily available, the Commission was simply unable to fully answer many of these. Secondly, however, this broader frame of reference did allow it to consider and comment upon more of the issues placed before it by the public. The Commission has chosen a riskier course of action which exposes it to criticisms for being technically inadequate; but also allows it to be faithful to the expectations of the people who actively cooperated with the inquiry.

This report gives the answers we found to these questions. We also hope it can be used as a "primer" on social housing in British Columbia, as an aid to further discussion and debate.

C. THE LOGIC OF THE REPORT

This report is summarized in Chapter III; and there is a summary at the beginning of each substantive chapter as well.

Given our focus, the starting point of the inquiry had to be a definition of social housing. This is given in Chapter IV. Having this definition, in turn, allowed us to identify data on the need for social housing. This is done in Chapter V. In Chapters VI and VII, we present an inventory and general review of the programs actually delivering social housing services.

Then we move on to deal with a two-part question: How do each of these programs in fact define core need? What are they achieving? This ground is covered, in a relatively technical way, in Chapter VIII. As the reader will see, we find the dominant definition of core need to be sound, but neither specific enough in concept nor backed by data of sufficient quality to accomplish the provincial government's housing objectives. We assess coverage of core need by existing programs, using existing data and present need definitions. Given time and data limitations, this is based more upon our review of program design and intent than upon a fresh analysis of actual program outputs or impacts.

In Chapter IX, we then provide information from the public inquiry on perceived weaknesses in the system. In Chapter X, we give our analysis of the underlying cause of the observed weaknesses. In Chapter XI, we offer details of a system for managing social housing delivery and thereby overcoming shortcomings in the system.

We conclude with chapters on our own key findings (Chapter XII) and recommendations (Chapter XIII). Chapter XIV offers a final comment on the inquiry itself and the future of social housing.

In the appendices, which are a separate volume, we provide more details of the inquiry process and the testimony received.

D. A NOTE ON TERMS AND DATA

We have generally used the most common prevailing definition of terms. In particular, we use the words household, private household, dwelling, private dwelling and related terms as defined in the latest Statistics Canada HIFE survey, published in June 1986 (8-3302-517).

The total number of households receiving benefits from social housing programs have been adjusted to prevent households receiving more than one type of benefit from being counted more than once. Data provided to us were occasionally inconsistent. Generally, we have relied upon the most recent numbers; and adjusted other figures to conform to these.

We refer to the construction and management of buildings by governments, co-ops, non-profit agencies and societies as "supply-side programs." Programs helping individual households to pay all or part of their rent are called "demand-side" programs.

When discussing policy issues, we often round numbers off for simplicity. In more technical sections of the report, we use exact percentages.

A bibliography is contained in the appendices.

III

HIGHLIGHTS

A. THE OBJECTIVES OF THIS REPORT

This Commission was directed "to inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing." These instructions arose because of the provincial government's wish to focus a greater proportion of the available housing resources on those in "core need." Accordingly, we defined our purpose as finding the answer to two questions.

- Is the percentage of existing social housing resources allocated to the core needy already as high as the system can reasonably make it?
- If greater efficiency is possible, what are the general means by which this can be done?

B. SOCIAL HOUSING: DEFINITION AND ISSUES

1. Definition of social housing

This Commission began by defining social housing.

- Social housing is activity intended to meet or reduce the cost of housing for low-income households.
- Social housing programs include both demand-side and supply-side approaches.
- Social housing can be provided through both market and non-market units.

2. Causes of social housing need

We see social housing need as arising:

- Primarily from low income.
- From disability or sudden loss of housing, as secondary causes.

3. CMHC's definition of Core Housing Need compared to other approaches

Canada Mortgage and Housing Corporation (CMHC) defines core housing need as existing if a household is unable to afford the market rent for suitable, adequate and available housing units without spending more than 30% of its total household income.

This definition can be compared to definitions implicit in:

- Statistics Canada's Low-Income Lines.
- Subsistence levels based on a real prices market basket, developed by the Social Planning and Research Council of B.C.

Comparing cut-off income lines derived from these three approaches to defining need, we found that the CMHC Core Need approach is a generally less restrictive definition of need than the other two approaches. For a single individual:

- CMHC's Core Need Income Threshold is $1,166/month.
- Statistics Canada's Low-Income line is $853/month.
- SPARC's subsistence line is $598/month.

Similar comparisons hold for other household sizes. Households with incomes below the line could be considered in need of assistance; households with incomes above the line could be considered not in need.

C. PROFILE OF HOUSING NEED IN BRITISH COLUMBIA

As a step in determining the needs effectiveness of the social housing system, we began by posing what appeared to be three simple questions:

- How has the level of need changed in B.C. over the years?
- What is the current level of need?
- What are the characteristics of the population in need?

We found that answering these questions in a comprehensive way was not possible. This was primarily because no consistent definition of need has been systematically applied to comparable data bases. The information we needed to fully answer our questions with empirical certainty could not be found, and probably does not exist. We were, however, able to find information which gave us partial answers.

Briefly, we found that:

- Between 1981 and 1984, need stemming from low income has increased in B.C.
- We estimate that up to 250,000 households (22% of all B.C. households) are in need of social housing.
- Certain household types are more likely to be in need.
  - Older singles;
  - Elderly households;
  - Non-elderly single-parent families;
  - The disabled.
- Many households in need are paying more than 50% of income as rent.
- The quality of housing has been gradually improving, leaving affordability as the dominant social housing problem.

D. THE BRITISH COLUMBIA SOCIAL HOUSING DELIVERY SYSTEM

1. Development and current components

The social housing delivery system, as it exists today in B.C., is a patchwork of federal, provincial and federal/provincial programs and services. Some of the basic components date back to decades-old initiatives.

Exhibit III-1 shows the components of the social housing delivery system. All of these components either currently consume social housing dollars and/or have contributed to the existing stock of non-market units.

2. Outputs and expenditures

- Approximately 240,000 B.C. households receive social housing benefits if no allowance is made for households benefitting from two or more programs. When double-counting is removed, the system served approximately 215,000 households in 1985.

EXHIBIT III-1 Components of the Social Housing Program

FUNDER/ TYPE OF PROGRAM	SUPPLY-SIDE PROGRAMS		DEMAND-SIDE PROGRAMS
	Capital Cost and/or Operating Subsidies	Rent Supplements	Shelter Allowances
SOLELY FEDERAL	NHA Sec. 56.1 Cooperative and Non-Profit Housing Assistance NHA Sec. 34.1 Residential Rehabilitation Assistance Program NHA Sec. 15.1 Non-Profit Housing Assistance NHA Sec. 34.18 Cooperative Housing Assistance New Cooperative Housing Program Rural and Native Urban Native Emergency Repair		
FEDERAL/ PROVINCIAL	NHA Sec. 40 Federal/Provincial Partnership NHA Sec. 43/44 Public Housing Human Resources Facilities New 56.1 Non-profit Housing Assistance	NHA Sec. 44(1)(a) - private landlords NHA Sec. 44(1)(b) - co-ops (34.18) - Non-profits (15.1).	GAIN -- shelter component
SOLELY PROVINCIAL	High Impact Grants Seniors Grants Disabled Grants	PRAP	SAFER GAIN Senior Supplement -- shelter component

- Total 1985 social housing expenditures (federal and provincial) were approximately $703 million. The federal government paid approximately 60% of this total while the provincial government paid approximately 40%. This is an average expenditure of $3,269.77 per household served.

- Approximately 165,000 households are served only through demand side programs (such as SAFER, GAIN) as compared to 45,000 households served through supply-side programs (Public Housing, Rent Supplements, Non-Profits, Co-ops), and 5,000 served through other programs such as Community Care.

- Demand-side programs consumed approximately 66% of expenditures ($466.6 million) while serving approximately 80% of recipient households. Supply-side programs consumed approximately 34% of expenditures ($236.4 million) while serving approximately 20% of all recipient households.

- The mean annual expenditure per household for supply-side programs was $5,253.33; and for demand-side programs $2,827.87. Thus, supply-side programs provided housing benefits at a cost that was 85.8% higher per average household than demand-side benefits. It should also be noted, however, that there is an adequacy problem with some demand-side benefits.

E. REVIEW OF RECENT STUDIES

Because our main task was to assess how effective social housing programs are in meeting core need, we were naturally interested in data available from recent evaluations. First, we reviewed major evaluations of CMHC programs. Second, we looked at evaluations conducted in B.C. Third, we considered some evaluations from the U.S. and other Canadian provinces.

Briefly, we can summarize these evaluations as follows:

- Cost-effectiveness comparisons are extremely sensitive to underlying assumptions about interest rates, operating costs, market rents, and rent-to-income rents.

- **For new construction**, cost comparisons using a variety of assumptions show that a conventional public housing approach can be cheaper than a rent supplement approach making payments to landlords.

- **When existing private rental units are available**, both rent supplements and shelter allowances allow the government to expand the stock of low-income housing quickly and can be cheaper than construction of new units.

- Non-economic policy objectives, such as avoidance of ghettoization and ensuring security of tenure, should be considered in evaluating social housing programs.

F. A REVIEW OF EXISTING SOCIAL HOUSING PROGRAMS

Provincial programs -- BCHMC, SAFER, PRAP and GAIN -- have not been evaluated as to their effect on social housing need. Within the time-frame of the Commission, we were not able to conduct thorough effectiveness evaluations. These would have required the generation of a substantial body of original data. We did, however, carry out an evaluative review of these programs.

In addition to reviewing the provincial programs, we have also carried out assessments of co-op housing. While the federal Social Housing Inquiry and the Nielsen Task Force on housing have already evaluated the CMHC 56.1 program on a Canada-wide basis, we wanted to understand how the program worked in B.C. During the inquiry, many questions were raised about the role of B.C. co-ops in social housing, so we therefore felt it necessary to review this program as well.

The reviews focus on four key questions:

- Is the program serving only those in need?
- What proportion of the population in need is being served?
- Are benefits adequate?
- Is the program cost-effective?

On each of these questions, we rated the programs on a three-point scale.

The matrix below shows the results of our ratings.

EXHIBIT III-2 Summary of ratings

Review of Programs

	Serve Only Needy	Portion of Pop. Served	Adequate Benefits	Cost Effective
Co-op	P	P	G	P
PRAP	G	F-P	G	G-F
BCHMC	G	F	G	F
SAFER	G	F	F	G
GAIN	G	G-F	P	G

Key: G = Good F = Fair P = Poor

For co-ops[1] we found that:

- On average, 62%-70% of total subsidy went to units and tenants defined as being in need. The percentage of total subsidy going to those in need in specific projects ranged from a low of 25% to a high of 99.4%.
- The average annual per unit subsidy was $7,619 or $635 per month.
- The public subsidy covers 66.3% of the total annual cash operating costs.
- Households with higher incomes paid an average of 15%-16% of their income for rent, while poorer households paid 25% or more for their rent.

Exhibit III-3 summarizes the basic figures on how well the system is meeting social housing need. Assessing the needs-effectiveness of the overall system, we conclude that:

- An estimated 250,000 B.C. households are in need of some kind of shelter assistance.

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[1] Based on a sample of 62 co-ops for which complete information was available.

EXHIBIT III-3 Basic figures on system effectiveness

1.1 MILLION HOUSEHOLDS IN B.C.

SOCIAL HOUSING HOUSEHOLDS

Administered Units	45,000
Receiving Shelter Allowances	165,000
Other	5,000
Served by System	215,000 households

IN NEED HOUSEHOLDS

Nielsen Task Force	167,000
Our Guess	250,000

PERCENT OF HOUSEHOLDS SERVED	86%

- When double-counting is removed, the social housing system is assisting around 215,000 households, or about 86% of all in-need households.

- Benefits from demand-side programs (GAIN, SAFER) are not sufficient to meet recipients' social housing needs fully.

- Benefits from supply-side programs are adequate, but these programs are slow to take effect, benefit fewer households and are not as cost-effective as demand-side programs.

- Some proportion of the core need population is not being served at all by the social housing system. We estimate this to be as high as 50,000 households.

- An estimated 15,000 households not in need may be benefitting from the social housing system.

G. MAJOR WEAKNESSES IN THE PRESENT SOCIAL HOUSING SYSTEM

1. Problems in administration and delivery

Weaknesses in the present social housing system were identified in the written briefs received by the Commission, in the comments of those who attended the workshops held with various constituency groups, at the social housing conference, in meetings with individuals and through formal hearings of inquiry.

Concerns expressed centered on the following areas:

- Nature and identification of needs.
- Matching services with people having different needs.
- Inter-governmental coordination of social housing policy.
- Public knowledge of and confidence in the system.
- Targeting of benefits.
- Integration of residents with different backgrounds.
- Security of tenure.
- Participation in management of residential buildings.

- Dispute resolution.
- Private market incentives.
- Non-profit and commercial forms of ownership and management.
- Adequacy of income support programs.
- Availability of suitable housing.
- Needs of small communities.

2. Evidence about abuses and mismanagement of the social housing delivery system

Because of reports of alleged abuses in, and mismanagement of, the social housing delivery system, the Commission held formal hearing of inquiry from June 2 to June 5, 1986.

The scope and focus of the hearings were dictated by responses to a newspaper advertisement. Virtually all respondents were users or advocates of the federal co-operative housing program. The level of response suggests that, in general, people do not feel that the social housing delivery system, in this province, is being abused.

But while we did not hear any evidence of widespread abuse, concerns were brought forward in the following areas:

- The inadequate legislative structure within which housing co-ops operate.
- Insufficient education of new co-op members as to the philosophy and responsibilities of membership.
- Inability of members to manage effectively.
- Lack of ongoing CMHC support and involvement.
- Inadequate supervision during design and construction phases.

H. THE NEED FOR A SOCIAL HOUSING MANAGEMENT SYSTEM

Our inquiry has found that the major weakness in social housing is the lack of an **effective management system** for the planning, allocation and delivery of social housing in B.C.

Improved coordination is needed among:

- The federal government.
- Provincial ministries.
- Municipal governments.
- User groups.
- Private sector and non-profit interest groups.

We identify steps that must be taken to improve the management system, including:

- A new definition of "core housing need."
- A more effective inventory of social housing need.
- Regular consultation among users and providers.
- Development of common objectives and framework for action.
- An appropriate balance of the use of supply- and demand-side programs.

A number of different vehicles could be used to implement the steps listed above.

On balance, we recommend establishment of a Social Housing Committee, responsible to a committee of Cabinet ministers and chaired by a senior administrator with deputy minister status.

We suggest that the following criteria be used for assessing improvements in the system's effectiveness:

- Does the system accurately distinguish those in core need from those who are not?
- Does the system identify all households in core need?
- Does the system give assistance in accord with the extent of need?

I A SYSTEM FOR MANAGING THE SOCIAL HOUSING SECTOR

We propose the creation of a new social housing management system. Given the time available, we could not hope to describe the ideal system in detail. Rather, we indicate a set of directions for future action.

We suggest an enhanced method of determining social housing need and allocating resources. These are macro-level planning activities, which occur above the level of program operations. At this level, effective coordination should occur between provincial government departments, with the federal government and with private agencies. Also, objectives are set and resources are allocated.

The proposed system has 18 steps in four phases.

- Phase One: Determining current conditions.
  - Step 1: Inventory of market and non-market stock.
  - Step 2: Inventory of social housing need.
  - Step 3: Match housing inventory with household needs, identifying the gaps between the supply of dwellings and the needs of households.
- Phase Two: Decision-making.
  - Step 4: Set dollar constraints.
  - Step 5: Establish policy and strategic objectives.
  - Step 6: Priorize current need, by household type and region.
  - Step 7: Assemble market data.
  - Step 8: Determine current program capacity.
  - Step 9: Review non-financial constraints.
  - Step 10: Formulate and simulate the cost/benefit of program options to achieve priorities.
  - Step 11: Consider design and service innovations.
  - Step 12: Select prefered output modes.

- Phase Three: Creating outputs.
    - Step 13: Allocate dollars to specific programs.
    - Step 14: Define specific program activities.
    - Step 15: Deliver programs.
    - Step 16: Report on activities.
    - Step 17: Evaluate outcomes and support external audits.
- Phase Four: Defining new conditions of need.
    - Step 18: Modify inventory of housing stock, program outputs and housing need; reformulate strategic and policy objectives.

As we see it, this system has four key segments:

- Defining social housing need in a precise way.
- Identifying the needy, through a province-wide social housing registration system.
- Allocating all social housing dollars on the basis of need.
- Regularly evaluating the performance of the system.

We are not prescribing means by which each individual program can determine who should benefit from its efforts. But we do recommend strongly that steps be taken to bring the operation of individual programs into line with this overall system. Deciding how this can be done in practice is best left to ministers and officials.

The system is a means for specifying who is in core need, and by how much; and for supplying provincial resources to particular programs, in accord with the level and type of need.

3. KEY FINDINGS

Briefly, our key findings are:

- There are an estimated 250,000 households in need, out of 1.1 million in the province. Of these, roughly 200,000 households are receiving some degree of housing assistance. An additional 15,000 households are benefitting from the social housing system but are not in need. Most of these households are residents in housing co-operatives; and a few are in non-profit or BCHMC administered units.

- Affordability, not adequacy, is the main social housing problem. But the greatest weakness in the system is its inability to identify the needy and deliver benefits in direct proportion to the extent of need.
- The accepted definition of "core housing need" is inadequate and is a major cause of benefits not being delivered in direct proportion to need.
- Shelter allowances, paid at **adequate** levels, will allow the province to cost-effectively assist low-income households.
- We found no substantial abuses of the system. However, existing legislation governing co-operatives does not adequately cover standards for the management of co-operative housing or sufficiently protect all co-op members.
- A complex and restrictive regulatory environment in some municipalities may constitute a substantial obstacle to the provision of affordable housing. Regulatory reform could significantly reduce the cost of social housing programs.
- Social housing policies do not encourage innovative, alternative housing approaches, especially for the elderly and disabled.
- The qualifications of social housing resource groups should be verified by mandatory certification.
- Greater attention should be paid to security of tenure, especially for households receiving shelter allowances while living in privately-owned buildings.
- There is insufficient consultation by government with the users of social housing and their advocates.

K. TEN MAJOR RECOMMENDATIONS

We have reached a number of conclusions about British Columbia's social housing programs. These are mentioned in various places throughout this report. Some are presented as suggestions or ideas for possible further consideration and development by those officials managing social housing programs. Because they are about fundamental weaknesses in present social housing delivery and how these can be corrected, a few of these merit the attention of ministers.

There are 10 such major recommendations.

1. Create a system for the management of the provincial social housing sector

A system for the coordinated management of planning, policy and social housing delivery must be created and maintained, under the direction of Cabinet and with the active participation of the seven provincial agencies with a social housing role. These are: BCHMC; Lands, Parks and Housing; Human Resources; Health; Municipal Affairs; Consumer and Corporate Affairs; and Finance. The existing interministerial committee on social housing should be expanded to become the lead social housing agency responsible for this system. It should make encouragement of innovative housing solutions a top priority. This Social Housing Committee should also see that all provincial housing programs are regularly evaluated. We feel this is the single most important recommendation we have to make.

2. A new method of defining need

A more precise, equitable and standardized way of defining what is meant by "need" for social housing is required. We have provided the outline of such a method and we recommend its adoption. Those households with income below a designated minimum will be "in need." The extent of need will be determined by the household size, any special needs, and the gap between actual income and the required minimum. This definition includes a focus on the amount of household income remaining for other expenses, after reasonable and basic shelter costs have been met. It should be used by the Social Housing Committee in planning for the use of and allocating social housing resources.

3. A social housing registry

The extent of social housing need must be determined annually. To do this we recommend establishment of a province-wide and consolidated social housing needs registry, run through the existing network of 150 local GAIN offices. Households wanting social housing benefits would register their needs here.

4. Create a single social housing budgetary envelope

The data on need gained from the first three recommendations should be used as the basis for allocating dollars from a consolidated provincial social housing needs "envelope" or fund.

5. New co-op legislation is needed

New legislation for the regulation of housing co-operatives is required to provide better protection for the interests of co-op members and standards of management.

6. Review municipal by-laws

Municipal by-laws unduly restricting housing construction, and especially rental housing, should be identified and revised.

7. Make greater use of shelter allowances

Greater use should be made of **adequate** shelter allowances, with the existing GAIN system as the preferred means of delivery to those most in need.

8. Review landlord/tenant relations

Greater use of shelter allowances highlights the importance of fair and equitable landlord-tenant relations. To this end, a review of the Residential Tenancy Act (1984) is required.

9. Greater priority on special needs housing

In general, higher priority should be placed on meeting the special social housing needs of the disabled, single parents with larger families, the elderly and battered women.

10. Establish a social housing advisory council

More extensive and frequent consultation by government with those using social housing, and with private and community groups involved with social housing, is required. We specifically recommend that a widely representative Social Housing Advisory Council be formed, with the mandate to provide advice to the Social Housing Committee, and through it to Cabinet. This council should be given a mandate to search for and regularly report on imaginative solutions to social housing needs.

IV

SOCIAL HOUSING: DEFINITION AND ISSUES

Chapter Highlights

In this chapter, we make clear how we define social housing.

- ► Social housing is intended to provide access to housing by paying for all or some of the cost of housing for low-income households; and for those needing special forms of housing.
- ► Social housing programs include both demand and supply approaches.
- ► Social housing can be provided through both market and non-market units.

The need for social housing is caused by:

- ► Low income.
- ► Disability.
- ► Crisis situations.

We present basic figures on social housing which indicate:

- ► About 215,000 or 19.4% of B.C. households are receiving benefits from the social housing system.
- ► Only 21% of social housing recipient households live in non-market units. The other 79% of beneficiaries are receiving some form of assistance with rent and living in open market units.

We then discuss CMHC's definition of Core Housing Need.

- ► Core Housing Need defines need as existing if a household is unable to afford the market rent for suitable, adequate and available housing units without spending more than 30% of total household income.

We contrast income lines defining low income (Exhibit IV-2) derived from three different approaches for defining need:

- CMHC's Core Need concept.
- Statistics Canada's Low-Income Lines.
- Subsistence levels based on a real prices market basket, developed by the Social Planning and Research Council of B.C. (SPARC).

We found that the CMHC Core Need approach is a generally less restrictive definition of need than the other two approaches.

We suggest that a common definition of social housing need should be developed for both demand-side and supply-side programs.

A. A DEFINITION AND CONCEPTUAL FRAMEWORK

When this Commission began its work, we first looked for the standard definition of social housing. This was needed to give the study some focus and limits. But a search indicated no common concept existed. Indeed, as we later discovered, there is active disagreement about the term's meaning.

We therefore felt it useful to make clear our own understanding of the term.

We see the housing sector as divided into a market housing segment and a social housing segment. In the former, most of the activity occurs between private buyers and private sellers. Governments do act in many ways to alter private housing market behaviour, from zoning to tax incentives. For example, sometimes, governments wish to stimulate the private market to build more rental housing. Many actions such as provincial homeowner grants and federal loans to home owners and renters also have the effect of reducing shelter costs. How, then, can we distinguish between those housing actions, all of which have a social purpose, and "social housing?" We accept the Canada Mortgage and Housing definition that social housing concerns activities on behalf of "Canadians whose income is insufficient to gain access to adequate housing."

Social housing is about actions specifically intended to meet or reduce the cost of housing for low-income households, so they can gain access to shelter. This can be done by constructing and providing housing units, which are then made available by the building owners or managers at less than market rent; or by providing dollars which can be used by individual households to pay all or part of their own shelter costs. One affects supply, the other, demand.

Of course, some households have a need for social housing because they have special housing design, location or size requirements, which the private market cannot satisfy at all; or only at a rate which is not affordable. Many physically or mentally disabled persons, elderly persons with functional limitations and some large families are in this category. Physical, mental or family circumstances can create the need for housing with special and costly characteristics; while also limiting or removing entirely the ability to earn the greater income required to pay for specialized housing. The need for social housing can arise from income which is low **in relation** to the cost of special housing needs. So we understand "low income" to be relative rather than absolute.

A social housing program is any set of actions designed to help overcome a household's inability, because of low income, to satisfy their basic shelter requirements. In practice, our concern is with those actions funded in whole or in part with provincial government funds.

We see co-op housing as social housing because an average of 40%-50% of residents have low incomes; and because the province's obligation to cost share under the new federal/provincial social housing agreement is tied to the required percentage of low-income residents which each co-op building must have. Although, when under attack for not meeting social housing objectives, some proponents of co-operative housing argue that it is not social housing, generally those involved in co-operative housing maintain that it is an effective social housing vehicle. For these reasons, we have included co-op housing within our definition of social housing.

To summarize, social housing is that segment of the total provincial housing stock which is used 1) as the result of some cost-reducing arrangement paid for in whole or in part by government, by 2) a household which, on its own, has income inadequate to meet the full cost of this housing. Social housing includes both units specifically constructed for this purpose and any other part of the provincial housing stock used as the result of a social housing program.

In short, it is the functional intent of causing a reduction in the housing cost for target households, rather than the specific means by which it is done, which defines social housing.

Social housing programs are the mechanisms affecting both supply and demand, to achieve this social housing function or objective. Most social housing programs are intended to facilitate access to rental housing.

B. SOME CAUSES OF SOCIAL HOUSING NEED

Social housing need arises from one primary and two secondary causes. The primary condition must always be present for defined social housing need to exist. One or both of the secondary conditions may also be present.

The primary condition is low household income.

The secondary conditions are:

- Physical or mental disability or infirmity.
- Sudden loss of housing due to unplanned events (fire, family dispute, eviction, etc.). This is generally a short-term need.

These circumstances may prevent a household from finding affordable, adequate accommodation in the private market. Consequently, some form of public action is required to satisfy the household's housing needs. Households requiring such support are in social housing need.

1. Low income

Low household income has three kinds of impacts on housing.

In the first, the available income is so small or intermittent as to prevent the purchase or rental of shelter. The chronically homeless are in this category.

The second income-related problem is that the amount of income left over after paying housing costs is inadequate to meet the other necessities of life.

The third problem caused by low income is being forced to settle for housing that is, in some sense, inadequate. Inadequacy may mean housing that is too small for the family size, is substandard, or otherwise seriously limits the family's social or economic opportunities. Standards of adequacy are, however, difficult to agree upon; so the quantification of the extent of housing inadequacy is also difficult.

These are problems of affordability; and may lead to housing inadequacy.

If the need for social housing is rooted in income inadequacies or in the special housing design requirements of the disabled and infirm, the social problem is a long-term one. The underlying social housing "problem" cannot be solved by responses from public or private housing agencies. The larger issues are income distribution, access to paid work and the prevention of disability and infirmity. How well society deals with these matters will affect the extent of the future need for social housing. Neither the causes of the need for social housing nor the solutions to this need lie solely with the housing sector itself. These matters, however, are outside our terms of reference.

2. Physical or mental disability

Physical or mental disability can cause their own unique housing design requirements, which may add to the capital cost of housing. Wheelchair access, ramps, lifts, modified bathrooms and kitchens are examples. As well, group or congregate living programs may require special facilities. Some elderly persons require housing with special features, from grab bars to systems to monitor their well-being. Also, there may be a need for support facilities, such as central dining and recreation rooms and quarters for resident superintendents and care providers. Those over 75 years of age are more often in need of these supports.

Many people in these groups are caught in a double bind. The housing they require is more expensive than regular housing; yet their physical or mental state makes it difficult or impossible to earn even the income necessary for non-specialized housing. So, even if many of these citizens had median incomes for their age group, they would still be "in need." For the disabled, issues of both access and availability arise.

3. Loss of residence

Many of those experiencing the abrupt loss of regular housing (e.g., battered women) must have immediate access to temporary shelter, which may offer special social services.

Temporary shelter programs should help to determine if a return to the former residence is or is not feasible. If it is not, the long-term problem is often a variant of the low income or disability issues.

It follows from the above that we recognize as social housing "programs" those designed to deal, in some way, with these three main causes of housing need.

C. BASIC FIGURES

It may be useful to keep several basic figures in mind. First, British Columbia has just over 1.1 million households and dwelling units. A dwelling unit is any unit of human shelter, including single family detached homes, row houses, apartments, and house trailers. Of this total housing stock, only about 45,000 units are in the social housing system by virtue of non-profit, co-operative or public ownership. This is about 4.0% of the total provincial housing stock. If we include in the definition of social housing those households for which the public pays all or a significant proportion of the rent, through programs such as SAFER and GAIN, this brings roughly 165,000 additional households into the social housing system; and brings the total of social housing households, in the broad sense, to about 215,000 or 19.4% of the total of provincial households. Put another way, less than one out of every five households in British Columbia is in the social housing system. Of these getting social housing benefits, only 21.0% live in non-market units; or 45,000 out of the total of 215,000 households benefiting from social housing programs. Almost 80% of those households benefiting from social housing programs in B.C. live in private market units. Social housing is **not** synonymous with non-market ownership.

D. SOCIAL HOUSING AND MARKET HOUSING PROGRAMS

The Commission recognizes that social housing funding allocations and costs do not take place in a vacuum. General construction and land costs are largely determined by factors well outside the scope of social housing. The amount of dollars available for social housing programs is influenced by the extent of public expenditures on non-social housing and other programs. Thus, while identifying the "pure" social housing programs, we also felt it useful to look briefly at the housing programs and market actions which have a substantial impact on social housing.

We would not wish to imply that only those with social housing need have housing problems. For example, we are sensitive to the plight of young married couples struggling to purchase or hang on to their first home; and to families with children living on moderate incomes, and the "well elderly" with limited means. In short, social housing is only **one** segment of the entire housing picture, but it is the one most meriting public financial support.

E. OPERATIONAL DEFINITION OF SOCIAL HOUSING NEED

1. Core housing need

The "definition by cause" approach to social housing need is helpful for setting policy directions. An operational definition is, however, a more appropriate tool for fine-tuning programs, making financial projections and allocating resources.

At present, the most widely used operational definition is the Core Housing Need Statistic developed by CMHC. According to this definition, core housing need exists if a household is "unable to afford the market rent for suitable, adequate and available housing units without spending more than 30% of their total household income."[1]

CMHC staff provided us with a detailed description of how CMHC "operationalizes" their definition of housing need.[2]

The core housing needs measure combines the separate indicators of crowding, adequacy and affordability into one comprehensive measure. It identifies households that would have to spend more than 30% of their income to obtain suitable and adequate housing in their locality. The measure includes households in inadequate or crowded dwellings who could not afford to improve their housing conditions without paying more than 30% of their income. Crowding is defined as more than one person per room. Inadequate is defined as lacking basic facilities. The measure excludes households which choose to spend more than 30% of their income on housing, when they could obtain suitable and adequate housing for 30% of their income or less.

Households which are crowded and/or living in inadequate dwellings and/or paying more than 30% or household income for shelter are examined to determine if they could afford an adequate rental unit of suitable size in their locality without paying more than 30% of their household income.

At present, there are four basic steps involved in applying the core housing need approach:

a) The identification of those households with a crowding, adequacy or housing affordability problem.

b) The definition of average rents for unsubsidized, non-farm dwellings requiring only regular maintenance, by dwelling size, region and settlement size (less than 100,000, 100,000+). The average rents so defined are referred to as "norm rents."

All norm rents are average rents. "Average" has been selected to ensure as far as possible that there is indeed a sufficient number of units at the rent levels indicated. Average rents are calculated from unsubsidized units where no portion of rent is attributable to business, and where rent is reported as greater than zero.

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[1] A National Direction for Housing Solutions. Ottawa: CMHC, no date, p. 11.

[2] John England, CMHC. Research Division, personal communication.

Average rents are calculated from cash rent taken as a multiple of twelve to represent annual rent, with a heating allowance added where it is specified that rent does not include heating. In addition, a sample size of at least 50 units is the minimum required to calculate an average rent for each dwelling unit size group. Extremely high or low rents are eliminated from the calculation. A more standardized method of handling data on heating costs is now being developed.

Only "adequate" rental units are included in the norm rent calculation. These are units which possess all basic plumbing facilities.

c) For each household, the next step is the identification of the gross household income required to rent an unsubsidized, uncrowded, adequate dwelling without paying more than 30% of gross household income. In the calculation, the following household size/dwelling size relationship is used to match household income with the appropriate norm rent:

Household Size	Dwelling Size Required
1 person	bachelor
2 persons	1 bedroom
3-4 persons	2 bedrooms
5+ persons	3+ bedrooms

d) From the households determined by step a) to have housing problem(s), those which could not afford an unsubsidized, uncrowded, adequate dwelling in their locality without paying more than 30 percent of their gross household income for rent are identified. These households are said to be in core housing need. The application of the norm rents is the critical part of this step.

The Core Housing Need statistic is, at present, the most sophisticated measure of aggregate social housing need. The statistic does not, however, address housing need arising from physical or mental disability, or from social crisis situations. The survey on which the statistic is based -- the Household Income, Facilities and Equipment (HIFE) file -- does not collect information on disabilities or special housing needs arising therefrom. Nor does it address crisis situations. It is not considered reliable below the province-wide data. Consequently, the statistic probably underestimates social housing need to some extent.

Further, very few data bases can support application of the Core Need concept. CMHC uses the Statistics Canada HIFE micro data file. BCHMC uses the 1981 census data to calculate social need. With both of these data bases, availability lags at least one year behind data collection. For example, Statistics Canada released a new HIFE report in June, 1986. This report is based on surveys conducted in the spring of 1985, which collected data on 1984 household income. Consequently, the Core Need statistic cannot accurately reflect current social housing need. The HIFE data base also cannot provide accurate estimates of need in regions, towns and rural areas. While Census data can be used for this purpose, this information usually will be even more dated. Therefore, neither of these data bases provides accurate estimates of current need at the sub-provincial level. Better data are a necessity for better planning.

2. Core need income limits

CMHC has also used the Core Need approach to define core need in terms of household income. Households with incomes below these limits would be considered to have core housing need.

1986 Core Need Income Thresholds for B.C. communities are shown in Exhibit IV-1. These thresholds are now used to determine eligibility for federal and federal/provincial social housing programs. CMHC used the following method to calculate these.

a) Use of the October 1985 Vacancy Rate Survey for structures with vacant units when there are sufficient numbers of cases to make this reliable. Where at least one cell has 25 or fewer cases, then average market rents for structures with vacant units are not considered reliable and the average for all structures are used. Average market rents are inflated by 4% to derive average 1986 rents.

b) Use of the October 1985 Vacancy Rate Survey for all structures, in centres where the data are available and averages for structures with vacant units are considered unreliable. Average market rents are inflated by 4% to derive average 1986 rents. Where there are 25 or fewer cases for units with 2 bedrooms or more, use of averages from the Vacancy Rate Survey is considered to be unreliable.

c) Appraisal estimates are obtained from CMHC field offices to establish average market rent levels for centres and rural areas not covered by the Vacancy Rate Survey.

d) Income limits are calculated from average rents assuming a 30% rent-to-income ratio.

CMHC has established the following minimum household income thresholds:

1 person	$13,000
2 persons	14,500
3-4 persons	16,000
5+ persons	17,500

EXHIBIT IV-1 CMHC's core need income thresholds for British Columbia

	Household Size			
Geographic Area	1 person	2 persons	3-4 persons	5+ persons
Area 1, Lower Mainland				
Vancouver CMA *	14,000	17,000	23,000	25,000
Abbotsford	13,000	14,500	16,000	17,500
Chilliwack	13,000	14,500	16,000	20,000
Matsqui	13,000	14,500	16,000	19,000
Powell R.	13,000	14,500	16,000	17,500
Squamish	13,000	14,500	16,000	17,500
Mission C.	13,000	14,500	16,000	17,500
RURAL	13,000	14,500	16,000	17,500
Area 2, Vancouver Island				
Victoria CMA *	13,000	15,000	19,500	23,500
Nanaimo CMA *	13,000	14,500	16,000	17,500
Campbell R.	13,000	14,500	16,000	17,500
Courtenay	13,000	14,500	16,000	17,500
Duncan	13,000	14,500	16,000	17,500
P. Alberni	13,000	14,500	16,000	17,500
RURAL	13,000	14,500	16,000	17,500
Area 3, Northern B.C.				
Prince George CMA *	13,000	14,500	16,000	17,500
Dawson	13,000	14,500	16,000	17,500
Ft. St. John	13,000	14,500	16,000	17,500
Kitimat	13,000	14,500	16,000	17,500
Prince Rupert	13,000	15,500	17,500	21,000
Terrace	13,000	14,500	16,000	18,000
Williams L.	13,000	14,500	16,000	17,500
RURAL	13,000	14,500	16,000	17,500
Area 4, Southern B.C.				
Kamloops CMA *	13,000	14,500	16,000	20,000
Kelowna CMA *	13,000	14,500	16,500	17,500
Cranbrook	13,000	14,500	16,000	17,500
Nelson	13,000	14,500	16,000	17,500
Penticton	13,000	14,500	16,000	17,500
Salmon Arm	13,000	14,500	16,000	17,500
Trail	13,000	14,500	16,000	17,500
Vernon	13,000	14,500	16,000	17,500
RURAL	13,000	14,500	16,000	17,500

* October 1985 Vacancy Rate Survey used to derive core need income thresholds.

If the computed threshold rounded to the nearest $500 is less than the minimum, it is adjusted up to the minimum.

e) Adjustments are made to ensure that income thresholds increase as household size increases.[3]

Households with annual incomes less than these amounts are said to have core social housing need.

3. Other approaches to defining core need income limits

CMHC's approach to defining income thresholds for core need is not the only one that could be used. Others are:

a) Statistics Canada low income cut-off lines are widely used as income thresholds. A 1978 analysis of family expenditure data found that the average Canadian family spends 38.5% of their income on food, shelter and clothing. To reflect the fact that low-income families spend an above-average proportion of their income on basic necessities, Statistics Canada adds 20% to the average family expenditure. Thus, low-income thresholds are set at levels where 58.5% of income goes to food, shelter and clothing. Adjustments are then made to account for variations in family size and place of residence. The low-income cut-offs are updated each year according to changes in the Consumer Price Index. These are shown in Exhibit IV-2.

b) A market-basket approach to setting income thresholds is used to set poverty lines in the U.S. It starts with the observation that 30% of the average American income is spent on food. The cost of a minimum acceptable diet (established by the National Academy of Sciences and the National Research Council) is multiplied by three to obtain a poverty income line (Walker, 1986).

The Social Planning and Research Council (SPARC) of British Columbia also used a market-basket approach to calculating subsistence level incomes for the Lower Mainland (Levens and Melliship, 1986). That analysis assumed that every family has a minimum food, clothing and shelter requirement for physical survival. In addition, personal care and travel costs were included as items essential to minimal social survival.

4. Comparison of different income thresholds

Exhibit IV-2 compares the income lines obtained using the different approaches described above. We have taken these lines to represent the amount of income a household must have to be considered "not in need" as defined by each approach to setting income lines. Households with incomes lower than these levels would be considered in need.

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[3] Source: B.C. Regional Office, CMHC.

EXHIBIT IV-2 Three monthly low-income thresholds

Family Unit Size	CMHC Core Need Income Threshold[1] (Gross income)	Statistics Canada Low-income Cut-offs 1985[2] (Gross income)	SPARC Subsistence Lines[3] (Net income)
1	1,166.67	853.16	598.49
2	1,416.67	1,125.66	871.27 (Couple) 860.83 (Adult, Child)
3	1,916.67	1,505.66	1,167.43 (Adult, 2 children) 1,207.61 (2 Adults, 1 Child)
4	1,916.67	1,735.08	1,392.70 (1 Adult, 3 Children) 1,432.53 (2 Adults, 2 Children)
5	2,083.33	2,021.92	
6	2,083.33	2,208.33	

Notes:

[1] CMHC Core Need Income Threshold for Vancouver Central Metropolitan Area; annual income divided by 12 to obtain monthly rate.

[2] Statistics Canada Low-Income Lines are 1985 estimates prepared by the National Council of Welfare. Annual Income for a household in a city of 500,000 and over, divided by 12 to obtain monthly rate.

[3] From B. Levens and K. Melliship Regaining Dignity. Vancouver: SPARC, 1986, p. 24.

For family units of up to five persons, the CMHC Core Need Income Thresholds are higher than the income lines arrived at by the other methods. As far as the relation to actual needs, the SPARC estimates are probably closest. The SPARC lines are, however, subsistence levels. Their basic budget lines "exclude the many daily, weekly and monthly expenditures that most individuals and families face for household operation, repairs and maintenance, purchase of home furnishings, debt repayment, insurance premiums, health care user fees, monthly credit, school needs, children's sport equipment, reading, social outings, recreational activities, and many other regular and incidental expenses."[4]

The provincial GAIN program needs definition has some similarities to the market-basket approach. In practice, it uses a combination of actual costs up to set maximums and fixed payment schedules tied to family size and age of dependants. Sample GAIN rates are given in Chapter VIII. These rates are generally lower than any given in Exhibit IV-2.

The approach selected for setting "need thresholds" affects the level of need. Government expenditures on social housing will be significantly affected by the income lines chosen to represent need. First, the number of households considered "in need" will vary depending on where the line is set. Second, setting an income line presumably indicates some intention to provide enough assistance to bring households fully out of the needy category.

F. TOWARD A COMMON OPERATIONAL DEFINITION

It should be noted that the thresholds in Exhibit IV-2 are being used for widely differing purposes. The CMHC figure is the income point at which a household presumably becomes eligible for a housing unit. CMHC and BCHMC provide rental units, for which the recipient must pay some portion of the rent. The SPARC and GAIN rates are minimum income requirements in order to meet the basic costs of life. They are used to indicate the maximum amount of income support or supplementation required. But all these are in some sense measures of need.

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[4] B. Levens and K. Melliship. Regaining Dignity Vancouver: SPARC, 1986, p. 3.

Exhibit IV-2 demonstrates the wide difference in income levels at which a household could be considered in need. Those involved with the supply of housing units such as Canada Mortgage and Housing will generally focus on the percentage of income devoted to housing and, as a result, conclude that an individual earning less than $1,166.67 is in need. Those concerned with financial assistance programs will look at the Statistics Canada low income cut-off or the SPARC subsistence lines and conclude that only individual with incomes below $850 or $600 per month are in need of assistance. Those receiving housing units can receive higher benefits at a substantially higher level of income that those applying for financial assistance, simply through the operation of the need definition employed. This difference in the approaches to defining need does not facilitate the smooth coordination of the two types of programs. It is also likely that unintended stacking of housing benefits, i.e., households receiving both a housing unit and income assistance, occurs in an uncoordinated manner.

As the social housing system in our view involves both the provision of housing units and assistance in the payment of rent, it makes basic sense to use a common definition of core need for both halves of the delivery system. This is a point to which we will return.

PART TWO

THE PRESENT SITUATION

V

A PROFILE OF HOUSING NEED IN BRITISH COLUMBIA

Chapter Highlights

As a step in determining the needs effectiveness of the social housing system, we began by posing what appeared to be three simple questions:

- ► How has social housing need changed in B.C. over the years?
- ► What is the current level of need?
- ► What are the main characteristics of the population in need?

We found that answering these questions comprehensively was not possible. This was primarily because no consistent definition of need has been systematically applied to comparable data bases. The information to answer our questions could not be found, and probably does not exist. We were, however, able to find information which gave us partial answers; and this we present in detail below.

Briefly, we found that:

- ► Between 1981 and 1984, need stemming from low-income has increased in B.C. This shows up to some extent as an increase in the number of households with core need. But there has probably also been a more significant increase in the size of the gap between the cost of adequate housing and the household income of individuals and families already in need.
- ► According to the best available existing estimate of core housing need, 86,000 B.C. renters and 81,000 B.C. homeowners were in core housing need. This represents a total of 167,000 or 16.3% of B.C. households. Our estimate places the number of households with an income deficiency at closer to 250,000.
- ► Certain household types are more likely to be in need.
    - Older singles;
    - Elderly households;
    - Non-elderly single-family parents;
    - The disabled.

- Housing inadequacy is a declining problem, while affordability is the main social housing problem.
- Many low-income households in need are paying more than 50% of income as rent.

We conclude this chapter with a discussion of economic and demographic trends which affect demand for social housing.

A. HAS THE LEVEL OF NEED CHANGED OVER TIME?

1. Core housing need

Before 1980, CMHC defined housing need primarily in terms of affordability. Households paying more than 30% of their income for housing were considered in need. Separate indicators were used to assess adequacy and crowding problems.

We were able to obtain historic data on affordability problems. These are shown in Exhibit V-1.

EXHIBIT V-1 Affordability problems experienced by renter households,[1] 1976 and 1980

	1976		1980	
	Number	Percentage of Total Renter Households	Number	Percentage of Total Renter Households
British Columbia	84,869	29.5	82,871	26.5
Canada	543,468	20.2	614,467	21.6

Source: Social Housing Review. Ottawa: CMHC, 1984, p. 62.

[1] Households are defined as having an affordability problem if they are paying more than 30% of their gross income for rent (including a heating allowance).

These data show that the number and proportion of B.C. households in need because of affordability declined between 1976 and 1980. But, in Canada as a whole, affordability problems increased over the same time period.

2. Low-income

As discussed in the preceding chapter, Statistics Canada low-income lines can be used to reflect social housing "need" stemming from low-income. Households whose incomes are low may require assistance to obtain adequate and suitable housing. In this sense, low-income is a proxy for "social housing need."

We were able to obtain historical estimated incidences of low-income in British Columbia, based on Statistics Canada's low-income lines. These are shown in Exhibit V-2.

EXHIBIT V-2 B.C. Families and unattached individuals whose incomes fall below Statistics Canada's (Revised) Low-Income lines.

	1976[1]		1981[2]		1984[2]	
	Families	Unattached Individuals	Families	Unattached Individuals	Families	Unattached Individuals
Rate(%)	11.0	26.4	9.4	34.1	15.5	36.4

Sources:

[1] Caskie, D.M. Canadian Fact Book on Poverty, 1979. Ottawa: CCSD, 1979.

[2] National Council of Welfare, Poverty Profile. Ottawa: Supply and Services, 1985, p. 13 and p. 14.

We can make a number of observations about these figures. First, the incidence of low-income is consistently higher among unattached individuals than among families. Second, for unattached individuals, the incidence of low-income increased dramatically between 1976 and 1981, with a further, smaller increase occurring between 1981 and 1984. This contrasts with the picture given for families. The incidence of low-income among families decreased between 1976 and 1981. By 1984, however, the incidence of low-income was higher for families than it had been in 1976.

To the extent that the low-income figures do represent need for social housing, we can say that in the first half of this decade, social housing need has increased in B.C., especially for families. This also reinforces our view that the Nielsen estimate, using 1982 numbers, is low for 1986.

B. WHAT IS THE CURRENT LEVEL OF NEED?

1. Core housing need

According to a Study Team Report to the Nielsen Task Force on Program Review,[1] an estimated 86,000 renter households and 81,000 owner households in B.C. are in Core Housing Need, as defined by CMHC. These estimates give a total of 167,000 or 16.3% of B.C. households in need. While this figure is based on 1982 data, it nonetheless represents the most recent estimate we were able to find. Even so, the figure probably under-estimates total need, as it does not include all those with a need for special purpose housing.

In an attempt to define the "core" of the needy, BCHMC recently analyzed 1981 census data using the following criteria:

- Tenure -- renters and low-income homeowners in substandard housing.
- Income -- lower two quintiles for the group in question, based on the requirement to target assistance to those with the most limited resources.
- Housing Expenditures -- more than 30% of income for rent is an indicator of affordability problems for families with dependent children; 35% is the criterion used for seniors and older singles because of lower non-shelter expenses.
- Rent Cut-off -- households paying more than the median rent for their community are excluded because lower cost housing options are presumed to be available for such households, given current supply/price conditions.
- Household Type -- seniors, older singles (55-64), families with dependent children and the disabled are the groups with the least flexibility to take advantage of market options and are therefore the priority groups for assistance.

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[1] Housing Programs -- In Search of Balance, Table 2, p.23.

These criteria represent a more restrictive definition of need than the CMHC Core Need Statistic. The BCHMC intent is to define the groups to whom assistance should be delivered first. There is no attempt to quantify housing suitability, adequacy and affordability problems discretely or comprehensively.[2]

Applying the above criteria to 1981 census data, BCHMC produced an estimate of 19,335 renter households requiring priority assistance. This is substantially lower than the Task Force estimate of 86,000. This is partially because the CMHC figure includes 27,808 non-elderly unattached individuals. BCHMC excluded this group, reasoning that they have more flexibility in finding accommodation (e.g., live with parents, share apartments, etc.). Removing this group reduces the larger figure to 58,192, which is nonetheless close to 40,000 more households than the BCHMC estimate.

2. Low-income

The Statistics Canada report released in June, 1986 on Household Incomes gives us the most current evidence on need stemming from low-income. As shown in Exhibit V-3, B.C. had an estimated 1.1 million households in 1984. Of the total households, 15.1% had an income under $10,000 while another 12.1% had incomes between 10,000 and $15,000.

The figures also show that:

- Single person households form the largest part of the lowest income group. Of households in the $10,000 and under group, 66.5% are single-person households, even though single person households represent only 24.5% of all households.
- The majority (58%) of the under-$10,000 group are renters. While 30.4% of this low-income group do own mortgage-free homes, this probably represents older families who are living on pension incomes.
- Renters have significantly lower household incomes than homeowners. Renters' median annual income is $18,031, as compared to $27,897 for homeowners without mortgages and $37,330 for homeowners with mortgages.

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[2] Source: BCHMC.

XHIBIT V-3 Percentage distribution of B.C. households within household income groups by household characteristics, 1984

	TOTAL HOUSEHOLDS		1984 HOUSEHOLD INCOME GROUP									MEDIAN HOUSEHOLD INCOME $	AVERAGE HOUSEHOLD INCOME $
	ESTIMATED NUMBERS	PERCENTAGE OF HOUSEHOLDS	UNDER $10,000	$10,000-$14,999	$15,000-$19,999	$20,000-$24,999	$25,000-$29,999	$30,000 $34,999	$35,000 $44,999	$45,000-$54,999	$55,000 AND OVER		
BRITISH COLUMBIA													
TOTAL HOUSEHOLDS	1,110,000	100.0	168,000 15.1%	134,000 12.1%	107,000 9.6%	97,000 8.7%	102,000 9.2%	90,000 8.1%	167,000 15.0%	105,000 9.4%	140,000 12.6%	$27,404	$ 31,578
HOUSEHOLD CHARACTERISTICS													
HOUSEHOLD SIZE:													
1 PERSON	272	24.5	66.5	31.9	29.3	28.5	21.6	18.7	7.7	2.0	3.4	12,837	16,593
2 PERSONS	337	32.2	18.6	40.0	41.5	39.3	35.3	33.5	31.0	30.4	28.6	26,564	31,242
3 PERSONS	179	16.2	8.4	15.4	13.3	13.9	16.6	15.2	19.7	23.3	20.7	33,731	36,255
4-5 PERSONS	263	23.7	6.0	11.8	14.2	16.0	24.1	30.4	36.0	39.1	38.3	38,848	41,708
6 OR MORE PERSONS	38	3.4	0.5	0.8	1.7	2.3	2.4	2.3	5.6	5.2	9.0	43,956	49,624
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
TENURE:													
OWNED													
WITH MORTGAGE	335	32.0	11.5	17.4	20.2	25.4	38.1	36.5	43.6	49.5	49.9	37,330	39,537
WITHOUT MORTGAGE	376	33.9	30.5	36.5	33.4	32.1	35.7	32.9	32.0	34.7	37.9	27,897	33,176
RENTED	379	34.1	58.0	46.1	46.5	42.5	26.2	30.6	24.5	15.6	12.1	18,031	22,523
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

urce: Statistics Canada, Household facilities by income and other characteristics. Ottawa: Supply and Services Canada, 1986, pp. 48-49.

Based on these data, we can say that a significant portion of B.C. households are likely to have a need for social housing stemming from low-income. To calculate just how many, we used the following method.

All **168,000** households with incomes under $10,000 can be considered in core need. To this, we added 0.70% of the 53,600 households of two persons with incomes of $10,000 to $14,999. This figure was used because the latest Statistics Canada low-income cut-off line for a family of two is $13,507.92. If we assume that the 53,600 households are distributed evenly between $10,000 and $15,000, then 0.70 fall below this cut-off line. This adds another **37,520** households to the low-income group. Then we add **20,636** households sized three, and **16,884** households sized four to six in the same income range; and **9,700** households sized five and six with incomes below $24,999. All these households, by size, are below the Statistics Canada low-income cut-off lines. These calculations produce a total of 252,740 households in core need.This is close enough to our earlier estimate in the interim report of 250,000, to be taken as confirmation.

C. WHAT ARE THE CHARACTERISTICS OF THE POPULATION NOW IN NEED?

In the preceding chapter, we outlined some of the major causes of social housing need -- low-income, disability, and loss of residence. We had hoped to find reliable and consistent information on the proportion of social housing need stemming from each of these causes, but were unable to do so. We were able, however, to find some data which help to put a face on the picture of social housing need in the province.

Exhibit V-4 shows renters in core housing need by age of head and household type. Non-elderly unattached individuals comprise the largest proportion of the in-need population, followed by elderly households. Families -- both single-parent and couple-headed -- also represent a significant portion of total housing need.

BCHMC has also analyzed the characteristics of the in-need population. Their analysis attempts to take severity of need into consideration.

Applying the criteria described above (Section B.2) to 1981 census data, BCHMC produced the provincial distribution shown in Exhibit V-5.

EXHIBIT V-4 **B.C. Renters in core housing need by age of head and household type**

	Percent of Core Need Group
Non-elderly unattached individuals	35.2
Elderly household	30.6
Non-elderly family couples	17.6
Non-elderly single parent families	13.9
Other and unclassified	2.7
	100.0

Source: Housing in British Columbia: A Statistical Profile. Ottawa: CMHC, 1985, p.16.

EXHIBIT V-5 **Need for social housing -- population characteristics**

	Rent to Income Ratios					
	30%-35%	36%-40%	41%-50%	50%+	Total	% of Total Groups in need[1]
				(Number of Households)		
Seniors:						
Singles	N/A	832	2,596	2,526	5,954	36.8%
Couples[2]		400	1,131	2,129	3,660	63.5%
Total		1,232	3,727	4,655	9,614	43.8%
Older Singles:						
Male	N/A	133	433	499	1,065	42.7%
Female		333	733	1,730	2,796	78.4%
Total		466	1,166	2,229	3,861	63.8%
Families with Children:	699	632	1,631	2,898	5,860	46.7%
TOTAL	699	2,330	6,524	9,782	19,335	47.7%

Source: BCHMC.

[1] Figures in this column are per cent of each group in the province paying 30% or more of their income for rent, e.g. 36.8% of all senior singles as defined above fall into that category.

[2] Includes a small number of households with dependent children.

These figures suggest not only that these households are in need but that their need is severe. Over half of the households in need are paying 50% or more of their income to rent. Relatively few of these in-need households could be considered "borderline" needy.

These data also suggest that in using rent-to-income as the measure of core need, the **extent** of need among the worst off can vary considerably from one household to another, even within the same household type. Efficient social housing programs should be sensitive to this variation in degree of need.

D. AFFORDABILITY IS THE MAJOR SOCIAL HOUSING PROBLEM

CMHC found that over the 1972-82 period there has been a general improvement in the adequacy of housing in B.C.[3] In these years, the proportion of households living in crowded conditions declined from 6.3% to 1.6%. The proportion of households living in dwellings without basic facilities also declined from 6.0% to 1.7%. As of 1982, some 16,000 B.C. households were living in crowded conditions (more than one person per room) and 112,000 households, or 13.5% of the total, lived in dwellings needing major repairs.

The 1986 census will provide an update on housing adequacy. In general, we conclude that while affordability is a growing problem, housing adequacy is not. The Nielsen Task Force report on social housing reached a similar conclusion. Thus, programs designed to deal with the affordability issue in a cost-efficient way are the most suited to the current situation in our province.

E. THE FUTURE DEMAND FOR SOCIAL HOUSING

It is broadly agreed that the private market cannot satisfy all housing needs. That some social housing is necessary appears to result from two major causes. First, prices for most types of housing for sale have risen faster than average incomes. This means that for some proportion of the population, home ownership will continue to be a problem (Carter, 1981). Second, certain types of housing are not available in the market. This is true for special purpose housing. But beyond that, building safety standards, zoning standards and consumer preferences act together so that housing is simply not available from the private market within the budget of all low-income households (Steele, 1979). To obtain any housing, many low-income households must "over-consume," spending a greater proportion of their income on housing than they can afford to do. This leaves them with inadequate income for essential, non-housing expenditures.

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[3] Housing in British Columbia, CMHC. 1985, p. 15.

The relationship between home ownership costs and income is likely to be a major determinant of demand for social housing at any given time. Low-income, however, is historically linked to certain demographic characteristics. Demographic changes can therefore be expected to exert a significant influence on the extent of demand for social housing in this province.

Some demographic groups are historically more likely to experience low incomes. These include:

- Unattached women.
- One-parent families headed by women.
- Young (under age 25) unattached individuals.
- Unattached, older individuals, i.e., those over 60.
- Families headed by persons under age 25.
- The disabled.

As these groups increase or decrease as a proportion of the total population, the demand for social housing is likely to change. Some demographic trends likely to affect social housing can be seen in provincial population projections prepared by B.C. Research (1983).

- Population growth is slowing. Between 1986 and 1990, the projected annual mean growth rate is only 2.0%.
- The 15-24 year-old age group represented 17.9% of the population in 1981. By 1990, this group is projected to represent only 13.1%. So, this age group is likely to decline as a percentage of the needy.
- The 65 years and over group represented 10.9% of the population in 1981. By 1990, the projected proportion is 11.7%. The elderly will represent an increasing proportion of those with social housing need.

The effects of these different factors will be contradictory, making it virtually impossible to accurately predict the extent of future need.

But these changes do mean that government programming must be flexible and able to respond quickly to changes in need as shaped by demographic and economic trends. In particular, publicly-funded construction programs must be sensitive to these shifts.

Now we will turn to the systems established in British Columbia to provide social housing to the core needy and to those with lesser need.

VI

THE BRITISH COLUMBIA SOCIAL HOUSING DELIVERY SYSTEM

Chapter Highlights

In this chapter, we describe federal, federal-provincial and provincial social housing initiatives. We lay out the existing components of the social housing delivery system (Exhibit VI-1) and show data on social housing outputs (Exhibit VI-5) and expenditures (Exhibit VI-7). These data show:

- Approximately 215,000 households received social housing benefits in 1985, when adjustments are made for double-counting.
- Total 1985 social housing expenditures (federal and provincial) were approximately $703 million. The federal government paid approximately 60% of this total while the provincial government paid approximately 40%. This is an average expenditure of $3,269.71 per household.
- Approximately 165,000 households are served through demand side programs (SAFER, GAIN) as compared to 45,000 households served through supply-side programs (Public Housing, Rent Supplements, Non-Profits, Co-ops). We estimate that an additional 5,000 benefit from Community Care facilities and other special care beds funded through social housing programs.
- Demand-side programs consumed approximately 66% of expenditures ($466.6 million) while serving approximately 80% of recipient households. Supply-side programs consumed approximately 34% of expenditures ($236.4 million) while serving approximately 20% of all recipient households.
- The mean annual expenditure per household for supply-side programs was $5,253.33; and for demand-side programs $2,827.87. Thus, supply-side programs provided housing benefits at a cost that was 85.8% higher per average household than the average expenditure on the demand side. It should also be noted, however, that there is an adequacy problem with some demand-side benefits.

A. DEVELOPMENT OF THE DELIVERY SYSTEM

The social housing delivery system, as it exists today in B.C., is a patchwork of federal, provincial and federal/provincial programs and services. Some of the basic components date back to decades-old initiatives. Others have been introduced recently. To understand the present system and its problems, a historical perspective is important. Below, we provide a brief summary of social housing history.

1. Federal initiatives

In Section 92 of the British North America Act the responsibility for housing was delegated to the provinces of Canada. However, even at the beginning of the 20th century it was apparent that the provinces were financially incapable of adequately responding to major housing problems. A variety of approaches have been introduced in the attempt to extend the financial capabilities of the provinces, while maintaining the provincial right to set housing policy independently.

The first federally-funded housing program, the 1919 Housing Loans Program, required provincial administration. In the mid-1930s, the first National Housing Act (NHA) was introduced to provide more homes and to reduce unemployment. As described in the BCHMC report Canadian Social Housing:

"**Subsidized family social housing was initiated in 1949 under NHA Section 40 federal-provincial partnership agreements.** The federal government provided 75% of the capital to develop public housing as well as 75% of any operating losses. The provincial governments had to provide the remaining 25% with the option of passing on a share of either capital costs or operating deficits to their municipalities. Until 1964, which saw the introduction of two new public housing funding mechanisms (Section 43 and 44), this was the only public housing assistance program in the country. After 1964, NHA Section 43 provided federal loans for 90% of the capital required to develop housing projects thereby increasing the proportion of federal capital funding available while leaving the assets as the property of the province rather than the Section 40 partnership. Section 44 provided for a 50% federal contribution offsetting the operating losses of Section 43 projects.

During the late 1960s, the quality of the urban environment, particularly in social housing and urban renewal projects, became the focus of attention. In response to the concerns of the late 1960s, the early 1970s produced by far the most sweeping changes to Canadian housing legislation since enactment of the NHA. The 1973 NHA Amendments which introduced Sections 34.18 and 15.1 were significant for their provisions to encourage non-profit societies and co-operatives to develop housing as well as the extension of rent supplements making them available under Section 44(1) (b) to these non-profit groups. This marked the beginning of a move away from the high density, high rise projects previously funded under Sections 40,43/44.

By the late 1970s, growing capital requirements at the federal level and increased local interest in non-profit and co-operative housing led to the 1978 consolidation of these low and moderate income programs (Sections 34.18 and 15.1). The result was a single simplified program, Section 56.1. Section 56.1, which provided interest reduction grants to reduce the effective interest rate on private market loans for 100% of project capital costs to 2%, represented a shift towards insured lending with financing provided by the private market. In this manner federal capital requirements were reduced."[1]

Special programs have supported the rural and native populations. The Rural and Native Housing Program provided housing on a home ownership and rental basis to rural and native people in communities of up to 2,500 in population. The Urban Native Program, funded through Section 56.1, allowed non-profit groups, sponsored by Native organizations, to develop rental projects to house low-income Natives living in urban areas.

Special Purpose Housing, to provide accommodation for households with special needs, was also supported through Section 56.1. Types of projects included senior citizen care facilities and homes for victims of family violence, the mentally and physically handicapped, emotionally disturbed children, reformed alcoholics and parolees.

In 1986, major modifications to the 56.1 program were introduced. In the new Non-Profit program, 100% of units must be for tenants in core need. Operating subsidies for projects without care or support services are equal to the difference between operating costs, including mortgage repayment, and rental revenues. The interest write-down to 2% has been dropped, except for special purpose projects. The implications of these changes will not be clear for some time.

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[1] Cogan, S. and Drake, D. Canadian Social Housing. Vancouver: BCHMC, 1983, pp. 9-10.

Co-operatives serving core need tenants only are still eligible for the non-profit program. Co-ops serving moderate income households will now receive assistance under the Co-operative Housing Program. This program provides low real-interest rates through a mechanism called "Index-Linked Mortgages" (ILM). Co-operatives built under the new program also participate in the re-vamped Rent Supplement program. The province has recently agreed to cost-share rent supplements for 30% of the provincial allocation of new co-op units. Individual co-op projects must enter into rent supplement agreements for a minimum of 15% of units and can do this for a maximum of 50% of units.

In addition to these subsidy and supplement programs, the federal government has encouraged upgrading of substandard housing. The Residential Rehabilitation Assistance Program (RRAP) was introduced in 1973. RRAP sub-components were specifically focussed on homeowners in designated urban areas, rural areas, urban rental housing, Indian reserves and non-profit housing. RRAP was modified in early 1986. The program is now targeted specifically to those in core need. The homeowner sub-component is extended to all urban areas. Rent maximums were introduced into Rental RRAP to ensure that assistance would go to low-cost rental units. A new sub-component — RRAP for the disabled — was introduced.

For occupants of sub-standard housing, living in communities of 5,000 or less, the Emergency Repair program provides funds to cover the costs of repairs needed to remove immediate hazards and to make dwellings habitable until new housing becomes available.

The federal government has also used a number of market programs over the years. While these are not specifically designed as "social housing programs," they can affect the cost and supply of rental housing.

The Assisted Rental Program (ARP) ran from 1976 to 1978. It was intended to increase the supply of low-cost rental units. Private developers were guaranteed a certain rate of return on investment. The section 44.1 rent supplements were piggy-backed with ARP.

The Multiple Urban Rental Building (MURB) program offered tax incentives to private investors to develop rental units. MURB was replaced in 1981 by the Canadian Rental Supply Program (CRSP). CRSP offered private developers loans of up to $14,000 per unit. These loans were interest-free for 15 years. CRSP was terminated in 1985. No new program has taken its place.

2. Provincial government initiatives

The provincial government has been a partner with the federal government in some of the programs described above. In 1967, the provincial Rental Housing Corporation was established to hold the provincial interest in public rental housing. In 1978, the British Columbia Housing Management

Commission was established to manage the provincial government's housing portfolio. BCHMC was also given the responsibility of administering federal-provincial rent supplement programs.

The provincial government has also initiated a number of programs to complement federal programs. In 1954, the Senior Citizen Housing Construction Program was introduced to provide assistance in making rental housing available and affordable. The Provincial Rental Assistance Program (PRAP) was begun in 1979 to provide rent supplements for residents of units built for seniors and the disabled built with the assistance of provincial capital grants. High Impact Grants (HIG) were introduced to assist non-profit societies and co-operatives receiving federal funding.

The province has also developed two shelter allowance programs. Guaranteed Available Income for Need (GAIN) is the province's basic income support program. It is cost-shared on roughly a 50/50 basis with the federal government under the Canada Assistance Plan (1966). GAIN benefits include an explicit shelter allowance component. In 1979, the province introduced the Shelter Aid for Elderly Renters program (SAFER) which provides cash assistance to elderly renters.

Several provincial programs have been directed at assisting homeowners. The Homeowner Grant, introduced in the mid-50s, provides relief from property taxes. Enriched grants are available for seniors and the handicapped. The Home Purchase Assistance Grant, which ended in 1983, provided a grant to first-time home-buyers, including Co-operatives. The B.C. Home Program (1982-1985) assisted homeowners with high mortgage interest rates. Existing initiatives include the Second Mortgage Program and the Rental Conversion Program.

3. The Global Funding Agreement -- 1979

In 1979, the governments of British Columbia and Canada signed a Global Funding Agreement. Main objectives of the 1979 Global Funding Agreement were:

- To establish the objectives of defined, coordinated and more efficient programs, and joint long-term planning.
- To increase use of private sources for capital funds.
- To clearly specify the sole federal responsibility for programs that do not involve provincial funding.

There were four areas of agreement in the Global Funding Contract. These defined the terms under which the two governments would:

- Help cover operating costs of approved projects.
- Reduce or delay the capital costs of approved projects.
- Supplement rents at approved projects.
- Administer approved projects (regardless of how funded).

In the course of this report, we generally refer to specific programs with shared costs, or projects funded under a certain agreement, by the section of the National Housing Act from which they stem. The provincial portion of the funding contribution defined by any one agreement could come through more than one of the Acts of the British Columbia legislature.

B. THE NEW FEDERAL-PROVINCIAL AGREEMENT

1. The Global Agreement

In May 1986, the governments of B.C. and Canada signed a new Global Agreement on Social Housing. This agreement entails:

- Recognition of needs and housing responses different from that of other provinces.
- Avoidance of unnecessary duplication and costs in federal/provincial housing programs.
- Provision of more flexibility to the province in delivery and administration of housing programs.
- Desire for all-encompassing agreements between the federal and provincial governments for cost sharing.

The Agreement's Criteria for Selection of those to be assisted ("Households in Need") are:

- Households in crowded or inadequate dwellings who pay less than 30% of income for shelter but who would need to pay 30% or more of income for adequate or suitable accommodation in their market area. ("Income" is to be defined in the supplemental Operating Agreement).
- Households paying 30% or more of income for shelter and who would need to pay 30% or more for adequate housing in their market area.

- Households having a need for "special purpose accommodation" as defined in the Operating Agreement.

The Global Agreement serves as a framework for planning, developing, providing, and sharing the cost of housing programs directed at households in need and at others to be agreed upon from time to time. Joint establishment of managerial and financial arrangements in order to ensure efficiency, cost saving and flexibility is envisaged. Also, federal-provincial long-term planning for social housing needs is a goal.

The Agreement will not affect any existing commitments relating to current programs **unless** the federal government and the province agree. The Agreement contemplates execution of an Operating Agreement to specify programs and their implementation and cost apportionment.

The Agreement provides that British Columbia is responsible for planning, selection, development, inspection and management of the programs in accordance with pertinent legislation. The federal government will periodically confirm the criteria of projects for which it provides funds and will have input into design modification and delivery of programs, after consultation with the province. Joint funding is possible for new programs advanced by either government with the other's approval.

The planning process is to be based for a three-year period, updated each year. The governments are to establish for this process a Planning and Monitoring Committee, with terms of reference set out in the Operating Agreement.

The costs apportionment is to be set out in the Operating Agreement. The allocation process for new programs is to be based on a model showing a distribution of housing units in Canada and negotiated between the federal and B.C. governments.

The new Global Agreement does not refer to a specific Act or to Sections of an Act.

On April 21, 1986 Commission chairman, James C. Cosh, wrote to the Honourable Jack J. Kempf, offering comments on the terms of the Global Agreement, a subject which falls outside the terms of reference of the inquiry (see Appendix Q).

2. Operating Agreement

Subsequent to the new Global Agreement, a new federal-provincial Operating Agreement was signed in June 1986. This Agreement refers to three specific federal commitments of funds under the NHA.

- Part I, insurance of loans.
- Section 37.1, loans for development of proposals.
- Section 56.1, contributions to eligible recipients for rental costs.

All types of federal funding under these three headings are subject to the NH Act.

The province assumes responsibility for bringing in the programs provided that:

- CMHC and the provincial Ministry of Lands, Parks and Housing share program costs.
- Lands, Parks and Housing directs program assistance to recipients as specified in a Schedule.
- Lands, Parks and Housing administration adheres to the NH Act.
- A joint planning process and accounting procedure is maintained between Lands, Parks and Housing and CMHC.
- Lands, Parks and Housing ensures participation opportunities to other sponsoring groups.

The Planning and Monitoring Committee is to meet at least four times annually.

The Section 37.1 loans are provided for in Part V of the Act ("Housing Research and Community Planning"). The subject project must conform to the requirements of the Act and its proponent must satisfy CMHC that financial assistance for the housing project is required. Section 37.1 was first enacted in 1973.

The Operating Agreement also makes specific reference to Section 56.1 contributions, which can be made to:

- A co-operative association defined in Section 15.1(2)(c).
- A non-profit corporation.
- A province, municipality, or Section 41 public housing agency (i.e., wholly owned by a province/municipality or agency thereof).

- Status Indians residing on a reserve.

As the Operating Agreement is new, its impact on the core needy is uncertain. In principle, the intent is to focus more resources on this group; and the province should use the opportunity fully.

C. COMPONENTS OF THE CURRENT SYSTEM

The current social housing system consists of many program components, developed at different times and using a variety of mechanisms. The result is a confusing and messy welter of programs. To some extent, inefficiencies are a result of this mish-mash of components.

For some components such as Public Housing, no new commitments are being made; although previous commitments continue to consume significant portions of the social housing budget. For other components, such as 56.1 Non-Profit Housing, commitments have existed for some time and new commitments are being made. For still others, such as the new Federal Co-operative Housing program, commitments are only now coming into play.

These programs continue to consume a significant proportion of the social housing budget.

In delineating the components of the social housing system, we have included all programs which currently consume social housing dollars. In Exhibit VI-1, we show these components, classified by the type of assistance they provide and the level of government responsible for initiation of the programs. For these programs, capsule descriptions are presented in Exhibits VI-2 and VI-3. Please keep in mind that these are summary descriptions of very complex and often ambiguous realities.

We should note that municipal governments also take an important place in social housing delivery, through municipal non-profit housing. For example, the Capital Region Housing Corporation in Victoria is a major source of family rental accommodation for that region. The Greater Vancouver Regional District (G.V.R.D.) plays a similar role. The City of Vancouver leases land to non-profit and co-operative groups, often at less than market value.

EXHIBIT VI-1 **Components of the Social Housing Program**

FUNDER/ TYPE OF PROGRAM	SUPPLY-SIDE PROGRAMS		DEMAND-SIDE PROGRAMS
	Capital Cost and/or Operating Subsidies	Rent Supplements	Shelter Allowances
SOLELY FEDERAL	NHA Sec. 56.1 Cooperative and Non-Profit Housing Assistance NHA Sec. 34.1 Residential Rehabilitation Assistance Program NHA Sec. 15.1 Non-Profit Housing Assistance NHA Sec. 34.18 Cooperative Housing Assistance New Cooperative Housing Program Rural and Native Urban Native Emergency Repair		
FEDERAL/ PROVINCIAL	NHA Sec. 40 Federal/Provincial Partnership NHA Sec. 43/44 Public Housing Human Resources Facilities New 56.1 Non-profit Housing Assistance	NHA Sec. 44(1)(a) - private landlords NHA Sec. 44(1)(b) - co-ops (34.18) - Non-profits (15.1).	GAIN -- shelter component
SOLELY PROVINCIAL	High impact Grants Seniors Grants Disabled Grants	PRAP	SAFER GAIN Senior Supplement -- shelter component

EXHIBIT VI-2 **SUMMARY - CANADIAN FEDERAL SOCIAL HOUSING PROGRAMS**(1)
UNDER NATIONAL HOUSING ACT

PROGRAM ELEMENTS	SECTION 15.1 Non-Profit Housing Assistance	SECTION 34.18 Cooperative Housing Assistance	SECTION 56.1 Pre-1986 Cooperative and Non-Profit Housing Assistance	SECTION 56.1 1986 Non-Profit Housing Program
STATUS	. No new commitments.	. No new commitments.	. No new commitments	. Active.
OBJECTIVES	. Direct capital cost loan assistance to non-profit groups to increase the supply of affordable housing.	. Direct capital cost loans for development of cooperative family (or special group) projects aimed at increasing the supply of affordable housing.	. Insured loans and interest reduction grants to provide affordable housing for low to moderate income households.	. To assist households unable to obtain adequate suitable and affordable housing on the private market.
DESCRIPTION	. Community or municipal non-profit organization - 100% CMHC lending value of project. . Low-interest rates, up to 50-year. . Community group only: - $10,000 start-up funding. - 10% forgiveness on repayable loan or ground rent subsidy through land-lease arrangement. - Interest reducing grant. - Rents set at break-even level.	. 100% mortgage loan based on CMHC lending value of project. . Up to 50-year term, 8%. . $10,000 start-up funding. . 10% forgiveness on repayable loan or ground rent subsidy through land-lease arrangement. . Interest reducing grant.	. NHA insured loan from approved lenders available for 100% of capital cost of project for 35 year term. . Interest reduction grant which brings effective interest rate as low as 2%. . Start-up funding $75,000. . In the 4th and subsequent years cooperative contribution to debt service increased by 5% compounded annually.	. Assistance available for public and private non-profit organizations and co-operatives. . Capital financing through private mortgage for up to 100% capital costs. . Operating subsidy based on difference between break-even operating cost and total revenue. . Tenant rent contribution based on 30% of income. . Special Purpose housing (on-site care services) additionally assisted through interstate writedown to 2%. Maximum 10% of annual allocation. . If necessary, Provincial Government may purchase site and lease back to society for a 60-year period.
RELATED FEDERAL PROGRAMS	. Section 44(1)(b) Rent Supplement. . Community Resource Organization Program. . Residential Rehabilitation Assistance Program, if project is in a Neighbourhood Improvement Program area.	. Section 44(1)(b) Rent Supplement. . Section 34.9 Contributions or loan towards payment of 1st mortgage or project's municipal taxes. . Community Resource Organization Program.	. Replaced Sections 15.1 and 34.18. . Section 44(1)(b) Rent Supplement. . Community Resource Organization Program.	
TARGETTING/ ELIGIBILITY	. Any moderate-to-low income household.	. Any household which is a member of the cooperative.	. Low-to-moderate income households. At least 15% must be income tested.	. Households in core need as defined by Operating Agreement. . Those with special housing needs.
ADMINISTRATION	. CMHC	. CMHC	. CMHC	. BCHMC
FEDERAL/ PROVINCIAL COST SHARE	. 100% Federal	. 100% Federal. Provincial contribution through High Impact Grants to 10% of operating costs.	. 100% Federal except for Seniors and Disabled projects which received 25% provincial grant and if necessary, contribution to operating subsidy through PRAP.	. 67/33

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(1) Based on CANADIAN SOCIAL HOUSING, by S. Cogan and D. Drake. Vancouver: BCHMC, 1983, p. 11-12.

EXHIBIT VI-2 SUMMARY -- CANADIAN FEDERAL SOCIAL HOUSING PROGRAMS UNDER NATIONAL HOUSING ACT (cont'd.)

PROGRAM ELEMENTS	SECTION 40 Federal-Provincial Partnership	SECTION 43/44 Public Housing	SECTION 40 Pre- and Post-'86 Rural and Native Housing Program	SECTION 56.1 Pre- and Post-'86 Urban Native Housing Program
STATUS	No new commitments in B.C.	No new commitments.	Active.	
OBJECTIVES	Direct capital and operating cost contributions to provide affordable housing for lower-income households.	Direct mortgage loans for capital costs and operating subsidies to provide affordable housing for low-income households.	To provide for construction or acquisition and rehabilitation of housing units for sale or rent to low income clients in communities with populations of 2,500 or less.	To assist Native households in need in urban areas to obtain suitable, adequate and affordable housing.
DESCRIPTION	In B.C., some rural and remote housing and public housing built under this program. Federal government contribution of 75% of capital costs; 25% is borne by province which may require municipality to participate in its share. Annual operating deficits borne on a 75 federal-25 provincial (or provincial-municipal) basis. Rents charged to tenant on 30% of income basis.	Units built/operated by provincial/municipal governments and public housing agencies. Low interest, long-term mortgage loan for 90% of capital costs. (Section 43). Federal government assumes 50% of annual operating losses. (Section 44). Rents charged to tenants on 30% of income basis.	Provides project capital costs and subsidy costs. Eligible home ownership clients pay 25% of adjusted income to monthly mortgage loan payment and eligible heating costs. Rental clients pay 25% of adjusted income.	NHA-insured loans for up to 100% of capital costs. Pre-'86 subsidy in form of 2% mortgages. Post-'86 maximum annual subsidy equal to difference between annual operating costs and project revenues. Rent based on income.
RELATED FEDERAL PROGRAMS		Section 42: 90% low interest mortgage loan for capital cost of acquiring and servicing land for public housing. Term is 50 years if land is leased, and 25 years in all other circumstances.		Community Resource Organization Program.
TARGETTING/ ELIGIBILITY	Not specific but directed primarily to seniors and disabled.	Lower-income households in need. Directed primarily to seniors and disabled.	Native and non-native households in core need.	Native households in need.
ADMINISTRATION	BCHMC	BCHMC	CMHC	CMHC
FEDERAL/ PROVINCIAL COST SHARE	75/25	50/50	100% Federal	100% Federal

EXHIBIT VI-2 SUMMARY -- CANADIAN FEDERAL SOCIAL HOUSING PROGRAMS UNDER NATIONAL HOUSING ACT (cont'd.)

PROGRAM ELEMENTS	SECTION 44(1)(a) Rent Supplement	SECTION 44(1)(b) Rent Supplement	Rent Supplement Program 1986	1986 New Federal Cooperative Housing Program
STATUS	Active.	Active.	Active.	Active.
OBJECTIVES	To assist low-income tenants to acquire suitable affordable housing.	To assist low-income tenants to acquire suitable affordable housing.	To assist households in need to obtain affordable, adequate and suitable rental housing.	To assist housing projects owned and operated by not-for-profit continuing cooperatives.
DESCRIPTION	Units built, operated by private landlords block leasing up to 25% of units. Subsidy required to make up the difference between 30% of the occupant's income and market rent.	Subsidies go to non-profit/cooperative housing organizations. Subsidy required to make up the difference between 30% of the occupant's income and required rent payment. For housing constructed with 30% provincial grant.	Rental agreements with private landlords, private non-profit, or cooperative. Subsidy required to make up difference between 30% of tenant's income and agreed rent.	Provides a CMHC insured, index-linked mortgage (ILM) and supply loans if necessary. An ILM amortized over 30 years provides primary financing for up to 100% of eligible capital costs. Supply loans given to projects not feasible with an ILM alone. ILMs provide for low real interest rates. Additional loans of up to $5,000/unit may be given for special purpose housing.
RELATED FEDERAL PROGRAMS		Non-Profit Housing Assistance - Sections 15.1, 56.1. Entrepreneur Low-Rental Housing - Section 15. Note: In B.C., units built under 56.1 do not receive rent supplements under this section.	New Cooperative Housing Program.	New Rent Supplements for up to 30% of new units.
TARGETTING/ ELIGIBILITY	Any qualified lower-income household.	Any qualified lower-income household.	Households in core need. Those with special housing needs.	Moderate-income households who cannot access home ownership but are not in core housing need. 30% of units to core housing need households.
ADMINISTRATION	BCHMC	BCHMC	BCHMC	CMHC
FEDERAL/ PROVINCIAL COST SHARE	50/50	50/50	67/33	100% Federal except B.C. funded portion of rent supplements

EXHIBIT VI-2 SUMMARY -- CANADIAN FEDERAL SOCIAL HOUSING PROGRAMS UNDER NATIONAL HOUSING ACT (cont'd)

PROGRAM ELEMENTS	SECTION 34.1 Pre-1986 Residential Rehabilitation Assistance Program	SECTION 34.1 1986 Residential Rehabilitation Assistance Program	SECTION 34.121 Pre- and Post-86 Emergency Repair Program
STATUS	. No new commitments.	. Active.	. Active.
OBJECTIVES	. To assist in the repair and improvement of existing substandard housing and to promote it subsequent maintenance.	. To repair, rehabilitate and improve dwellings.	. To assist households to undertake emergency repairs required for the continued safe occupancy.
DESCRIPTION	. Provides foregiveable loans to repair substandard housing. Five sub-components makes loans to urban and rural homeowners and landlords, Indian reserves and non-profit/cooperative groups. Maximum loan amounts and forgiveness amounts vary with location, type of repair, and adjusted family income. Landlords required to commit equity equal to forgiveness amount.	. Three components: . Homeowners -- Forgiveable loans to homeowners for eligible repairs up to $10,000 for urban and $25,000 for rural. Foregiveness to maximum of $5,000 in south; 6,230 in north; $8,250 in far north. Foregiveness based on income. . Rental -- Foregiveable loans to landlords of low end of market units. Foregiveness earned over 15 years. Foregiveness rates based on post-rehab rents. Rental rates set by agreement. . Disabled -- Foregiveable loans to owners, landlords undertaking accessibility work. Foregiveness rates based on income for owners, rents for landlords.	. Contributions up to $4,500.
RELATED FEDERAL PROGRAMS	. Section 56.1 non-profit and cooperative housing.		
TARGETTING/ ELIGIBILIY	. Households with low-to-moderate incomes. . Landlords. . Non-profit/cooperative. . Indian reserves.	. Homeowner -- Owners with incomes less than $23,000. . Rental -- Low-rent units. . Disabled -- Disabled owners, tenants.	. Homeowners/occupants in need in rural areas.
ADMINISTRATION	. CHMC	. CHMC	. CHMC
FEDERAL/ PROVINCIAL COST SHARE	. 100% Federal	. 100% Federal	. 100% Federal

EXHIBIT VI-3 SUMMARY - B.C. PROVINCIAL SOCIAL HOUSING PROGRAMS

PROGRAM ELEMENTS	Shelter Aid for Elderly Residents	Provincial Rental Assistance Program	High Impact Grants
STATUS	. Active.	. Active.	. Discontinued; final payments in next two years.
OBJECTIVES	. To provide seniors in need with assistance in the payment of rent.	. To provide rental assistance to seniors and disabled living in units constructed with NHA Section 56.1 assistance.	. To assist non-profit societies or cooperatives to meet operating costs.
DESCRIPTION	. The program provides a monthly cash payment of equal to 75% of the amount by which actual rent exceeds 30% of monthly income, up to an established ceiling.	. Provides assistance to cover any operating deficits associated with units built for senior citizens and the disabled with NHA 56.1 assistance and provincial capital grants.	. Provides grants towards operating costs during first seven-eight years of operation.
TARGETTING/ ELIGIBILITY	. Senior citizens receiving OAS and paying more than 30% of gross income in rent.	. Senior citizens; disabled.	. Cooperatives receiving CMHC loans under NHA 34.18. . Non-profit societies receiving CMHC loans under NHA 15.1.
ADMINISTRATION	. Human Resources	. BCHMC	. BCHMC
FEDERAL/ PROVINCIAL COST SHARE	. 100% Provincial	. 100% Provincial	. 100% Provincial

EXHIBIT VI-3 SUMMARY - B.C. PROVINCIAL SOCIAL HOUSING PROGRAMS (cont'd.)

PROGRAM ELEMENTS	Human Resources Facilities	Guaranteed Available Income for Need (GAIN)
STATUS	. Active.	. Active.
OBJECTIVES	. To provide assistance with the development of residences/facilities for children, the handicapped and senior citizens.	. To provide financial support to those in need.
DESCRIPTION	. Provides financial assistance to municipalities, non-profit societies and community boards.	. Provides basic income assistance, including a shelter allowance. Also provides special assistance to the handicapped and to senior citizens receiving Federal OAS/GIS.
TARGETTING/ ELIGIBILITY	. Children handicapped or disabled, senior citizens.	. Families and individuals with no other source of income or income assistance; seniors and disabled.
ADMINISTRATION	. Human Resources	. Human Resources
FEDERAL/ PROVINCIAL COST SHARE	. 50/50	. 50/50

In Exhibit VI-4, we show provincial housing programs which are not intended to assist people in core housing need. Two programs -- the Second Mortgage Program and the B.C. Home Program -- are targeted to homeowners. The Rental Conversion Program is designed to stimulate the creation of rental units. The Housing and Development Financing Corporation has been aimed at two policy objectives -- housing development and job creation. The Home Owner Grant is intended to provide tax relief from the costs of education.

These programs are not social housing programs and cannot be reviewed as such. Nonetheless, they do affect the housing stock situation and consume a portion of the overall housing budget.

D. ACCESS TO THE SYSTEM

Social housing programs are administered through a variety of government divisions. Generally, they are the following:

Section 56.1 - CMHC
Section 40, 44, 44.1a and b, PRAP and a small number of 56.1 non-profit units - BCHMC
Rent supplements for community care facility units - Ministry of Health
GAIN, SAFER, rent supplements for disabled units - Ministry of Human Resources

Applications to live in currently subsidized projects are received by the owners/managers of the projects. For example, separate waiting lists are maintained by each of the co-operatives and community care facilities. The provincial government is a partner in the ownership of public housing. These applications are coordinated with applications for BCHMC-administered rent supplements.

SAFER applications are reviewed by a three-person eligibility committee, appointed by the Ministry of Human Resources. GAIN is administered by the same ministry, through a network of local offices. Each of the other bodies has its own method for determining eligibility. Applicants for BCHMC-administered units are scored according to demonstrated need. Those deemed most needy have priority when space or funds become available.

EXHIBIT VI-4 OTHER PROVINCIAL HOUSING PROGRAMS

PROGRAM ELEMENTS	Rental Conversion Program	B.C. Second Mortgage Program	B.C. Home Program
STATUS	• Active.	• Active.	• No new assistance.
OBJECTIVES	• To assist in the creation of new rental units.	• Loans to owner-occupants and coop shareholders.	• To reduce the effect of interest charges payable in respect of the principal residence.
DESCRIPTION	• Loans are provided to convert an existing family dwelling or industrial development into two or more residences.	• Provides a $10,000 second mortgage.	• Provides advance money to homeowners to reduce mortgage payments to what they would be if interest rate were 12%.
TARGETTING/ ELIGIBILITY	• Individuals, groups or corporations.	• Any owner-occupant including strata-titled condo owners or coop shareholder except those receiving assistance under NHA.	• Homeowner with mortgage interest rate in excess of 12%.

For the most part, access to social housing assistance is uncoordinated. There is no single point of application to determine social housing eligibility or consolidation of waiting lists. Further, the federal, provincial, non-profit and co-operative programs operate more or less independently. Both definitions of need and levels of benefit vary considerably from one program to another. There are no standard evaluation criteria.

E. OUTPUTS AND EXPENDITURES

1. Outputs

The social housing delivery system attempts to make affordable housing available to those in need. One indicator of the system's effectiveness in meeting this objective is its level of output. Measuring the level of output at any one time is, however, not an easy task. Measuring it over time is almost impossible.

First, different components of the system have different kinds of output. In the public housing program, for example, one unit of output represents one housing unit, which may benefit more than one individual. In contrast, GAIN outputs are measured by number of cases. Here, one unit of output may represent one individual or it may represent a family of two or more individuals.

Second, considerable "stacking" of benefits is a feature of the system. For example, recipients of the GAIN senior supplement may also be receiving assistance from SAFER. PRAP payments are stacked on Section 56.1 units. GAIN recipients, in some cases, live in subsidized public, non-profit or co-op units.

Despite these difficulties, we have compiled information on the level of output of various social housing programs (Exhibit VI-5).

Exhibit VI-6 shows outputs for other provincial housing programs.

2. Expenditures

In this section of the report, we attempt to document program costs and expenditures. This task also proved to be very difficult.

The following complicating conditions apply:

- There is subsidy stacking, i.e., funds from more than one program may be supplementing one household. The extent of this overlap is unknown.

EXHIBIT VI-5 **Level of output[1] for social housing programs -- 1983 to 1985 calendar years**

Program	Unit of Measurement	1983	1984	1985
Public Housing				
Section 40	Housing Units	5,895	5,895	5,895
Section 43	Housing Units	1,966	1,966	1,961
Rent Supplements				
44.1(a)	Housing Units	1,144	1,131	1,097
44.1(b)	Housing Units	5,245	4,449	3,349
Seniors Grants	Housing Units	382	218	127
Disabled Grants	Housing Units	135	221	121
PRAP[2]	Housing Units	383	452	494
56.1 Interest Reduction[3]	Housing Units	18,837	21,115	24,138
HIG[4]	Housing Units	787	340	340
Community Care				
- Health	Beds	1,765 [5]	1,765 [5]	1,765 [5]
- Human Resource	Beds	1,135 [5]	1,530 [5]	1,868 [5]
SAFER	Households	10,088	9,921	9,432 [6]
GAIN				
- General	Cases	127,417 [5,7]	135,084 [5,7]	149,655 [5,7]
- Senior Supplement	Cases	Data not available		31,000 [5,8]
RRAP		Data not available		
Rural and Native		Data not available		

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[1] Figures for level of output represent total existing units/recipients for that calendar year. They do not represent n outputs except to the extent that the figure for one year is greater or lesser than the figure for the preceeding year.

[2] PRAP payments are stacked on 56.1 units; therefore, these units are double-counted.

[3] Includes the following number of beds:
1983 = 4,987
1984 = 5,305
1985 = 5,633

[4] High Impact Grants (HIG) are allocated to cooperatives previously funded under Section 34.18. These units are n double-counted. 1,700 units that had been constructed with 34.18 assistance were eligible for HIG.

[5] Fiscal years -- i.e., 1983 = 1983/84.

[6] Approximately 4,000 of these recipients are also receiving the GAIN senior's supplement.

[7] Caseload at end of fiscal year.

[8] There were actually almost 45,000 recipients of whom 12,000 to 13,000 were married. For the sake of analysis, v calculated households assuming that married individuals were married to other recipients.

EXHIBIT VI-6 **Level of output for other provincial housing programs — fiscal years 1983/84 to 1985/86**

Program	Unit of Measurement	1983/84	1984/85	1985/86
Conversion Loans[1]	Loans	11	11	5
	Rental Units Created	55	16	35
Second Mortgage Program[1]	Loans	5,992	4,286	6,735
Home Owner Grant:				
Urban -- Under 65 years[2]	Properties	406,811	415,162	Not available
Urban -- Over 65 years[2]	Properties	123,589	119,464	
Rural[3]	Approved Applications	111,335	113,000	

Sources:

[1] Home Mortgage Branch, Ministry of Lands, Parks and Housing.

[2] Financial Services Branch, Ministry of Municipal Affairs. Figures are for calendar years.

[3] Real Property Taxation Branch, Ministry of Finance. Figures are for calendar years.

- Expenditures may not be comparable. Some income programs represent fixed commitments of direct payments to individuals for a short time. Others represent somewhat open-ended commitments ranging over different commitment periods.

- Construction commitments create new housing, which may or may not remain within the stock of affordable housing for the functional life of the housing. These are payments to organizations, not persons.

Exhibit VI-7 presents historic expenditures for provincial government social housing programs. Exhibit VI-8 gives expenditures for other provincial housing programs.

3. Comments on outputs and expenditures

- Approximately 215,000 households receive social housing benefits of some type. While the 1985 outputs (Exhibit VI-5) total approximately 230,000, we estimate that the system has an additional 10,000 units, which we believe to be units built under inactive programs (NHA 15.1 and 34.18) that are not receiving NHA 44.1(b) rent supplements. Further, because about 25,000 GAIN recipients are living in non-market units, adjustment must be made for double-counting. When these adjustments are made to the 1985 output total, we arrive at the estimated figure of 215,000 social housing beneficiaries.

- Approximately 165,000 households receive benefits only from demand-side programs (GAIN and SAFER), while approximately 45,000 households benefit from supply-side programs (Public Housing, Rent Supplements, Non-profits and Co-operatives). We estimate that an additional 5,000 are benefitting from Community Care facilities and other special care beds funded through social housing programs.

- Total social housing expenditures (federal and provincial) in 1985 were approximately $703 million.

- Exhibit VI-9 shows the proportion of recipients served and dollars expended for demand-side and supply-side programs. Demand-side programs consumed approximately 66% of all expenditures while serving approximately 82% of all recipient households. Supply-side programs consumed approximately 34% of expenditures ($236.4 million) while serving approximately 18% of all recipient households.

EXHIBIT VI-7 **Federal and Provincial current expenditure by program — 1983 to 1985 calendar years.**

	1983 $'000	1984 $'000	1985 $'000	Average B.C. Share of $ Spent
Public Housing				
Section 40	11,146	10,603	14,736	24.8%
Section 43	6,898	7,679	6,808	50.0%
Rent Supplements				
Section 44.1(a)	4,330	4,326	4,872	50.0%
Section 44.1(b)	4,672	5,149	4,891	49.0%
Seniors Grants[1]	3,407	1,378	1,554	100.0%
Disabled Grants[1]	235	1,708	969	100.0%
PRAP[2]	445	308	734	100.0%
Interest Reduction				
Section 56.1[3]	120,255	135,011	150,638	0.0%
HIG[4]	295	147	71	73.2%
Community Care				
- Health[1]	12,900	15,300	16,500	15%-50%[5]
- Human Resources[1]	20,300	27,600	34,700	20%-50%[5]
SAFER	8,881	9,129	8,100	100.0%
GAIN[1]				
- General	391,000	427,500	441,500	50.0%[6]
- Senior Supplement			17,000	100.0%
RRAP		Data not available		
Native and Rural		Data not available		

[1] Expenditures for fiscal years -- 1983 = 1983/84, etc.

[2] PRAP payments are stacked on 56.1 subsidies.

[3] Maximum possible not actual expenditures.

[4] High Impact Grants (HIG) are allocated to cooperatives previously funded under section 34.18. These units are not double counted. However, these values underestimate greatly the total subsidy that has been allocated to them. By 1985, 1,700 units that had been constructed with Section 34.18 assistance were eligible for HIG.

[5] Estimates -- these are more difficult to determine for the Ministry of Health and Human Resources programs due to the complexities of calculating cost-sharing for stacked subsidies.

[6] The province pays at least 50% of the cost.

EXHIBIT VI-8 Provincial expenditures — Other Housing Programs —fiscal years 1983/84 to 1985/86.

Program	1983/84 ($'000)	1984/85 ($'000)	1985/86 ($'000)
	Fiscal Year		
Conversion Loans[1]	1,950	284.2	763
Second Mortgage Program[1]	52,500	39,000	61,000
B.C. Home Program[1]	43,000	14,000	4,500
Home Owner Grant			
Basic	180,000	182,000	186,000
Enriched (seniors, disabled)	83,000	86,000	89,000

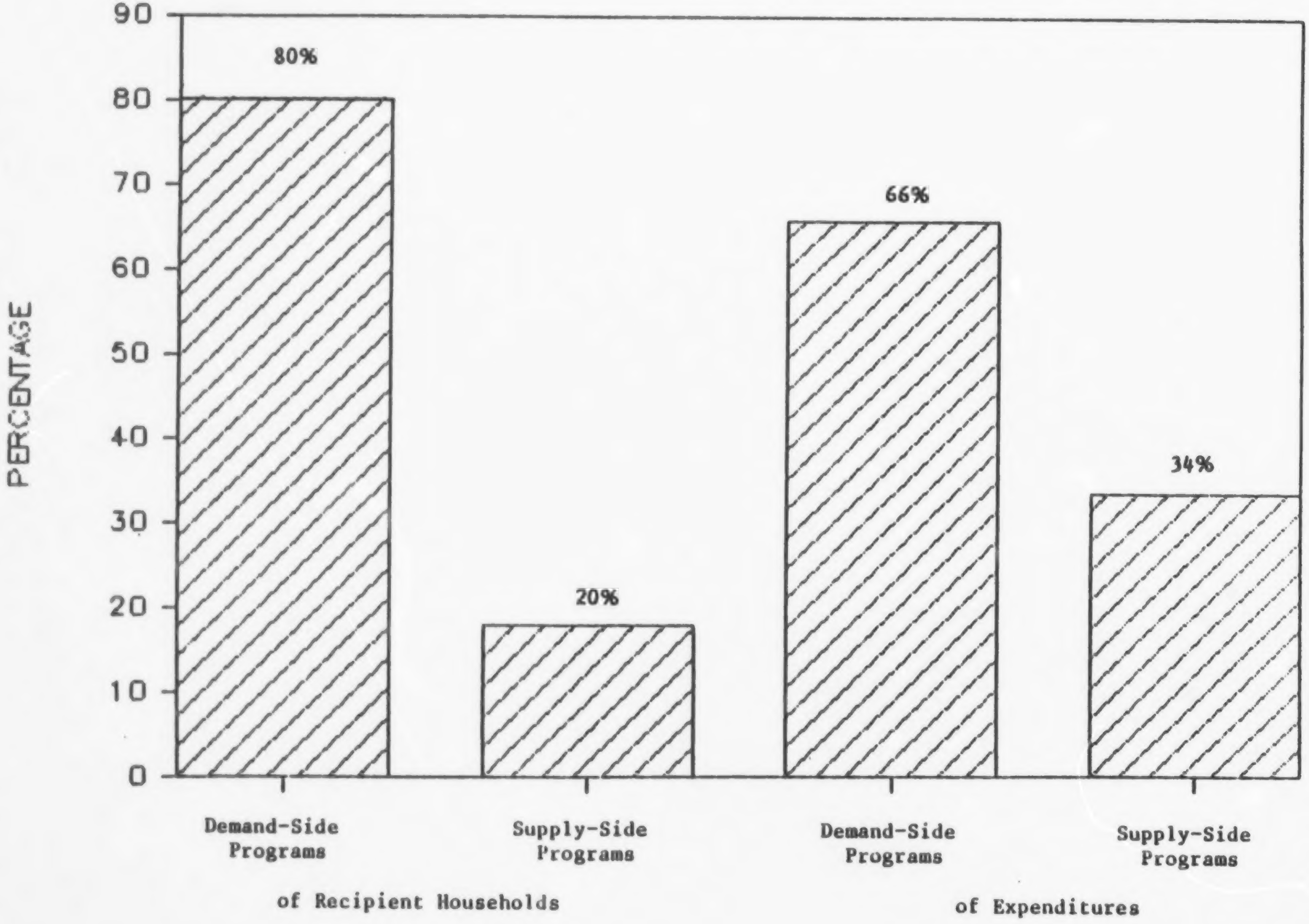
Sources:

[1] Home Mortgage Branch, Ministry of Lands, Parks and Housing.

[2] Financial Services Branch, Ministry of Municipal Affairs.

[3] Real Property Taxation Branch, Ministry of Finance.

EXHIBIT VI-9 Proportion of recipients served and dollars expended for demand and supply side programs

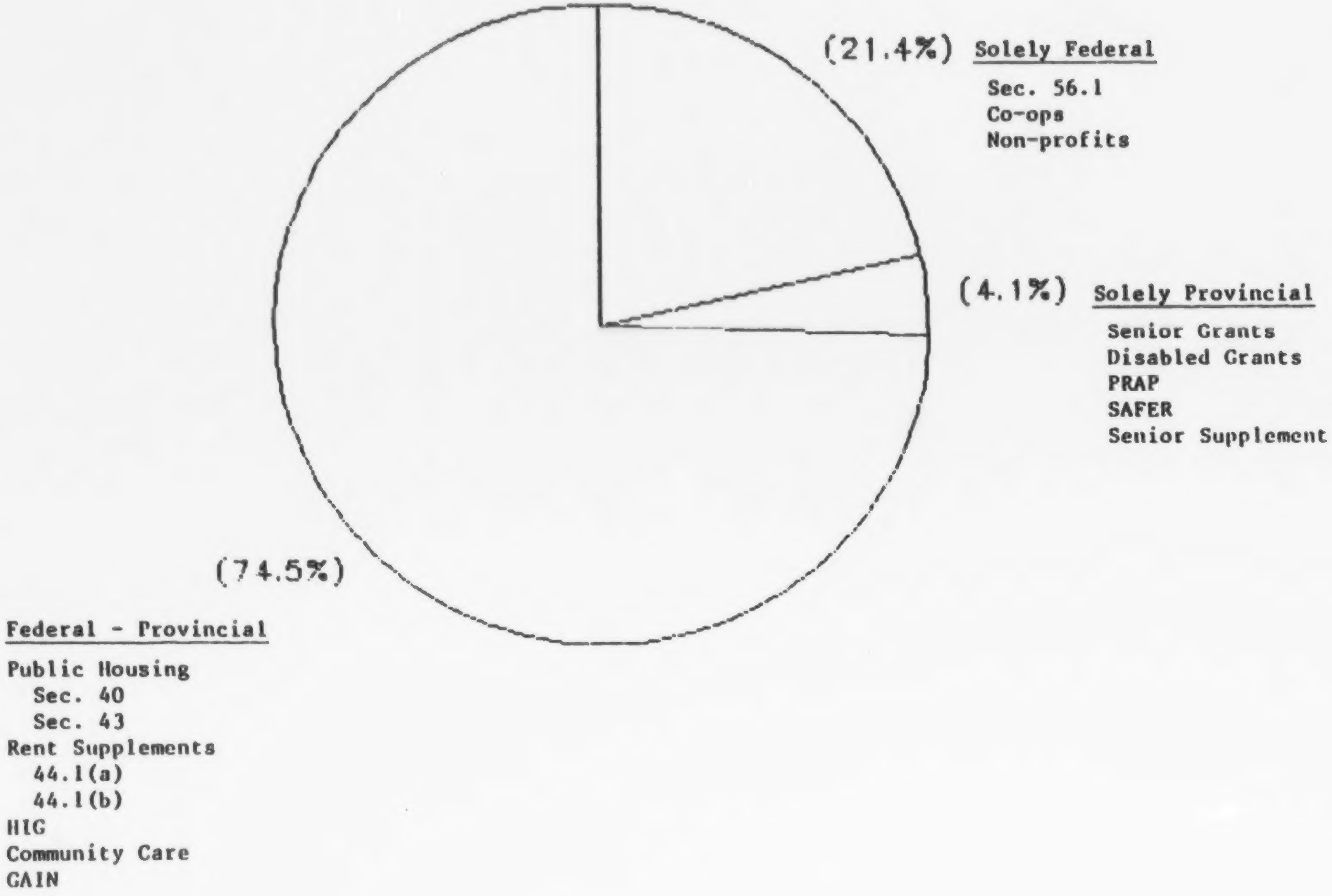


- Exhibit VI-10 shows the proportion of total expenditures provided by solely federal, federal-provincial, and solely provincial programs. Federal contributions totalled approximately 60% of all expenditures while provincial contributions totalled approximately 40%.

- The mean annual expenditure per household for supply-side programs was $5,253.33; and for demand-side programs $2,827.87. Thus, supply-side programs provided housing benefits at a cost that was 85.8% higher per household than average demand-side expenditures. It should also be noted, however, that there is an adequacy problem with some demand-side benefits.

Ideally, the remaining task would be to compare the relative costs of meeting the remaining core need by using each program. We cannot, however, effectively compare the costs of income programs to construction programs without an agreed upon mechanism for estimating future commitments. As well, we must agree on the appropriate rate of discount to be applied to future payments -- a rate which should theoretically be different for payments that create supply and payments that target individual households' ability to pay for an existing supply of housing. The model permitting this analyses to be done has not yet been created in this province; and doing it is beyond our scope. But doing it is an undertaking we do recommend to the government.

EXHIBIT VI-10 Proportion of total expenditures provided by solely federal, federal-provincial and solely provincial programs



VII

A REVIEW OF RECENT STUDIES ON SOCIAL HOUSING PROGRAMS

Chapter Highlights

Because our main task was to assess how effective social housing programs are in meeting core need, we were naturally interested in data available from recent evaluations. First, we reviewed major evaluations of CMHC programs. Second, we looked at evaluations conducted in B.C. Third, we considered some evaluations from the U.S. and other Canadian provinces.

Briefly, we can summarize these evaluations as follows:

- Cost-effectiveness comparisons are extremely sensitive to underlying assumptions about interest rates, operating costs, market rents, and rent-to-income rents.
- For new construction, cost comparisons using a variety of assumptions show that a conventional public housing approach can be cheaper than a rent supplement approach.
- When existing private rental units are available, both rent supplements and shelter allowances allow the government to expand the stock of low-income housing quickly.
- Non-economic policy objectives, such as avoidance of ghettoization and ensuring security of tenure, should be considered in evaluating social housing programs.

A. FEDERAL STUDIES

1. Social Housing Review[1]

In 1984, CMHC undertook a national Social Housing Review. This review evaluated:

- Sec. 40 Public Housing Program.
- Sec. 43 Public Housing Program.
- Sec. 44(1)(a) Rent Supplement Program.
- Sec. 15.1/34.18 Non-Profit and Co-operative Housing Programs.
- Sec. 56.1 Non-Profit and Co-operative Housing Program.
- Sec. 40 Rural and Native Housing Programs.

The main purpose of the review was to assess the performance of the programs, as a group and individually, in achieving the federal government's social housing objectives. The review:

- Explored the rationale for social housing programs by examining the extent and nature of social housing problems and the relevance of the programs to these problems.
- Examined the programs' contribution to social policy priorities.
- Assessed effects on those receiving assistance on the stock of rental housing, and on the operation of rental markets.
- Explored effects on other federal and provincial housing and housing-related programs.
- Compared the cost-effectiveness of the individual programs.

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[1] This section is a close adaptation of the "Executive Summary" and "Summary and Conclusions", Social Housing Review. Ottawa: CMHC, 1984, pp. 1-8 and pp. 271-276.

The main data source for the review was a national survey of social housing occupants, non-profit and co-operative project managers and landlords of rent supplement units. Project data from CMHC administrative files were also used as were numerous other existing data sources and studies.

Major findings of the review are briefly summarized below.

a) Program rationale.

- There exists a continuing need for social housing programs. More than one-half million Canadian households are estimated to be in core housing need.

- There is a strong rationale for government action based on equity considerations.

b) Social housing objective.

- Insufficient income:

  - about 70% of the households occupying social housing units have insufficient income to gain access to adequate, uncrowded housing in their area without spending more than 30% of household income on shelter;

  - the rent supplement program most effectively meets the social housing objective (92% of these households have insufficient income), followed by public housing (75%);

  - only one-third of the households served nationally under the Section 56.1 non-profit and co-operative program have insufficient income.

- Adequate housing:

  - with the exception of rural and native housing, the programs have been quite successful in providing physically adequate, uncrowded accommodation;

  - the main exception is that rural and native housing program units are often in poor physical condition and have a high incidence of crowding.

- Affordable housing:

  - the public housing and rent supplement programs are the most effective in providing affordable housing while the non-profit/co-operative programs are least effective.

c) Social policy priorities.

- Equity:

  - the programs are not achieving horizontal equity. Each year only 2% of the one-half million Canadian households in core housing need are assisted;

  - the programs are achieving vertical equity in the sense that lower income households receive greater benefits than higher income households. However, it is also apparent that Section 56.1 households with sufficient income to afford adequate housing are receiving subsidies.

- Most in need:

  - about one-half of all households receiving social housing benefits fall below the Statistics Canada Low Income Cut-offs;

  - the rent supplement program serves the highest proportion of very low income households (72%) while Section 56.1 non-profit co-operative programs are least effective in serving those most in need (21% of households fall below the Low-Income cut-offs).

- Special groups:

  - the programs are giving priority attention to the elderly, the handicapped, native Canadians and women.

d) Other impacts and effects.

- Social impacts:

  - all programs appear to have a positive influence on the social well-being of recipients, although the benefits are not measurable;

  - non-profit and co-operative residents expressed the highest levels of satisfaction with their housing and environment and participated in project meetings and management to a greater extent than public housing or rent supplement tenants.

- Housing and employment:

  - the programs have made an important contribution to the rental housing stock and to the stock of special purpose accommodation. Further, the programs have operated in a way that is consistent with rental market conditions;

  - significant employment opportunities are generated by the programs but homeownership programs are probably more effective in generating immediate employment impacts.

- Related programs:

  - the provincial share of all subsidy expenditures for social housing has decreased since 1978 when the Section 56.1 programs were introduced;

  - assistance provided through rent-to-income housing contributes significantly to the level of support offered by the entire system of income transfers. Among social housing occupants receiving welfare assistance, a small percentage may be penalized to a greater extent for earning more income than welfare recipients in private rental accommodation.

e) Cost effectiveness. Cost comparisons on a per-unit and per Rent-Geared-to-Income (RGI) unit basis for an identical hypothetical project operated under the terms of each program indicated that:

- Subsidy costs are extremely sensitive to interest rates and to assumptions for rates of change in operating costs, market rents and RGI rents.

- Under each interest rate scenario (10%, 14%, and 18%), the cost per unit provided is lowest for the Section 56.1 programs but Section 56.1 is more costly or less cost-effective than public housing in terms of RGI unit. This difference occurs because only a portion of the total 56.1 subsidy goes to RGI units. When costed as if the total subsidy is applied to RGI units, the cost-effectiveness of 56.1 is reduced.

- The design of the Section 56.1 non-profit/co-operative programs is such that much of the available subsidy goes to tenants paying market rents. Under the 14% interest rate assumption, 41% of the subsidy is used to bridge the gap between lower-end-of-market rent and economic rent with the remainder devoted to assisting RGI tenants.

- Under the high interest rate assumption, rent supplement is the most cost-effective or least costly way of providing RGI units. At lower interest rates public housing is most cost effective.

- Under the 14% interest rate scenario, rent supplement is second to public housing as the most cost-effective way of providing RGI units. In addition, enriched subsidies to private investors may be required to reduce or eliminate the period of negative cash flow which would be experienced under this scenario.

- Inclusion of an equity accumulation to reduce subsidy costs for the public housing and non-profit/co-operative programs improves the cost-effectiveness of these programs relative to rent supplement. Under the 14% interest rate scenario, the Section 56.1 programs become more cost-effective than rent supplement. However, the federal government has no control over the use of Section 56.1 projects once the 35-year agreements with non-profit/co-operative groups expire.

The major conclusion that we can draw from this hypothetical cost-effectiveness comparison is that the assumptions used to calculate subsidies are the major determining factors in relative cost-effectiveness. This suggests that caution must be used in taking these cost-effectiveness findings as guides to policy decisions.

2. Residential Rehabilitation Assistance Program (pre-1986)

According to Housing, a study team report to the Nielsen Task Force on Program Review, the RRAP program has been evaluated. We were not, however, able to obtain a copy of the evaluation report. Instead, we have drawn on the Task Force report to make the following observations:

- The Homeowner RRAP, both rural and urban, was well-targeted to low- and moderate-income households.
- Rental RRAP was not as well-targeted, because program funds were directed to landlords and involved no means of testing the tenants who were affected. Rental agreements did not ensure that rents were affordable to low- and moderate-income households.
- RRAP had a positive influence on the housing conditions of program participants.
- RRAP has contributed to the generation of employment.
- RRAP is an insufficient response to the affordability problems of low-income households living in inadequate dwellings.[2]

B. B.C. STUDIES

The provincial government has not conducted regular evaluations of its social housing programs. BCHMC has prepared a Resident Profile (BCHMC, 1984) which does provide data on BCHMC tenants. While the published document does not evaluate this information against policy and program objectives, BCHMC does use the data for internal evaluation purposes.

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[2] Task Force on Program Review, Housing, Ottawa: Suppy and Services, 1986, pp. 75-76.

The Ministry of Land, Parks and Housing did conduct an evaluation of the procurement techniques used by non-profit societies to develop new senior citizens' projects (Geller and Associates, 1985). The study is a comparative analysis of procurement techniques -- proposal call, tendered projects and variants of these. It looks at factors such as project and administrative costs; design and construction quality; ease and speed of delivery; quality control; and risks to the Ministry, sponsors, builders and architects. The results showed that proposal call projects were less expensive than those developed through tendered projects. The study report also includes a number of recommendations for improving the development of these types of projects.

The procurement call study is basically an administrative evaluation. It looks at the most effective way to build senior citizens projects and will certainly assist in ensuring that the best use is made of dollars allocated to this purpose. It does not, however, consider how these projects fit into the overall social housing delivery system, how well they respond to social housing need, nor how they compare to other approaches (e.g., rent supplements) which could be used to meet seniors' housing needs.

The Planning Department of the City of Vancouver conducted an evaluation of the City of Vancouver Housing Program (McAfee, 1983). The evaluation was designed to assess whether the City's non-market housing assistance was reaching households of modest means and disadvantaged persons (elderly, disabled). Consumer satisfaction and the non-monetary benefits of program participation were not evaluated.

The evaluation methodology consisted of a survey of 5,807 self-contained units to obtain resident profiles. These include public housing units and non-profit and co-operative units. Planning staff analyzed the household profile data, comparing:

- Assisted households against City objectives.
- Assisted household income profiles against income profiles for the city and various affordability measures.
- Housing costs of assisted households against market housing costs for similar accommodation in the same area and elsewhere in the city.

Major evaluation findings were:

- A very high percentage of non-market households have low income and special design requirements. Eighty-nine per cent of assisted households had incomes below the Statistics Canada estimated "poverty line" for their household size.

- Less than 3% of assisted households could afford comparable housing in the same area. Possibly 10% could afford comparable housing elsewhere in the city. Of families living in co-ops, less than 21% could afford comparable housing in the same area, without paying more than 30% of income for rent.
- In GVHC units, 60% of households pay more than 25% of their income for rent. About 30% of co-operative residents pay more than 25% of their income.
- Some of the older co-operatives could house a higher proportion of low-income households than they do.

C. OTHER EVALUATIONS

1. Rent supplements

Hulchanski (1985) has summarized evaluative comparisons between newly constructed private rent supplement units and conventional public housing in Canada and the U.S. According to his paper, the Ontario Legislature's Standing Committee on the Administration of Justice found:

- For new housing, rent supplement housing is more costly than government owned and operated public housing.
- In tight rental market conditions, private landlords do not renew their rent supplement agreements.
- Financial benefits of rent supplements accrue primarily to the landlord.
- Tenants do not have the same security of tenure as in public, non-profit or co-operative housing, because the landlord can terminate rent supplement agreements.
- It is difficult for the government to project subsidy costs in rent supplement housing.
- It is more difficult to provide social and consultative services to tenants in rent supplement units.[3]

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[3] Hulchanski, 1985, p.2.

Hulchanski (1985) also reviewed a study by the U.S. Congressional Budget Office. This study found that for new construction housing, a direct non-profit social housing approach is less expensive than the private rent supplement approach.

A second U.S. study was carried out by the U.S. General Accounting Office in 1980. Conventional public housing was found to be the least expensive way to finance public housing. Further, private rent supplement housing "may not provide even the minimum 20 years service to low income tenants, whereas almost all public housing has and will likely provide much more than 20 years service," (Hulchanski, 1985, p.6).

We would stress, as the Hulchanski citation does not, that findings favouring conventional public housing over rent supplements are based on the costs of **new** construction. As a background paper to the Ontario Standing Committee report points out:

> "If existing private rental units are available for rent supplement, it is more economical for government to quickly expand the available stock of low-income housing through rent supplement rather than building new government public housing."[4]

2. Shelter allowances

a) U.S. programs. The General Accounting Office (GAO) has also recently reviewed and analyzed existing information regarding shelter allowances:

> "GAO performed a four-step evaluation synthesis, (1) formulating specific evaluation questions, (2) identifying the relevant evaluation reports, (3) rating the reports on their technical quality, and (4) analyzing and synthesizing their findings... GAO compared the data for subgroups of those who (1) were eligible, (2) enrolled (or applied for participation and were then deemed eligible), and (3) received allowance payments.

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[4] Ontario Standing Committee on the Administration of Justice Cost Comparison of Rent Supplement Housing and Government Owned and Operated Public Housing: Experience in the United States and Ontario. Toronto, 1980, p. 1.

GAO concentrated on the two main allowance programs: the Experimental Housing Allowance Program (EHAP) and the Section 8 Existing Housing program (Section 8). EHAP was a large, complex experiment conducted in 12 sites in 1973-83 to assess the feasibility, usefulness, and effects of housing allowances. Section 8 was established in 1974 and continues to provide housing allowances nationwide. In fiscal year 1984, its budget outlay was $2 billion. Currently, it is the largest program providing housing assistance to the poor. Although there are differences, Section 8 and EHAP are similar along several important dimensions such as eligibility, levels of assistance, and family contribution...

With regard to participation rates compared to proportion in the eligible population, some demographic groups were served proportionately (minorities); some were served at higher rates (households headed by women, the very poor, and those on welfare); and some were served at very slightly lower rates (large households). Results for the elderly were inconsistent...

With regard to effects of the programs on participants, as measured by rent burden and changes in housing quality, there is strong evidence that the rent burden decreased substantially to about 25% of income... As measured by changes in housing quality, allowances did not lead to significant improvement for all. Although the programs required all participants to meet certain standards, ensuring a minimum level of quality, many participants already lived in housing that met standards, and for some others, upgrading was minimal...

With regard to effects of the programs on the low-income housing market, the sole EHAP study that addressed the issues showed that although allowances did not increase housing supply, as hoped, they also did not result in market price inflation, as feared."[5]

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[5] GAO, 1986, pp. 2-3

b) Manitoba evaluations. The Government of Manitoba offers a shelter allowance program for elderly renters. Also called SAFER, the Manitoba program is based on that operating in B.C. Evaluations of the Manitoba SAFER program were conducted in 1981 and 1984. As summarized by Zamprelli (1985), these evaluations found:

- **Shelter allowances are not inflationary.** The 1981 study found that rent increases for non-movers averaged 11% in the first year and one-half of the program, slightly less than the CPI rent component. The 1984 study found that rent changes for non-movers averaged 10%-13% over the period 1981-84.
- **Shelter allowances do not subsidize marginal or sub-standard structures.** The 1981 study found that 95% of units were free of structural, health and sanitary defects. Only 2% of recipients were living in residences identified as having housing code infractions.
- **Shelter allowances do not compete with supply side programs for financial resources.** In Manitoba, SAFER has actually expanded the marketability of non-profit and co-operative units to low-income tenants; 25% of SAFER clients live in non-profit housing. The 1981 study surveyed a sample of SAFER clients and found that 69% would choose not to live in public housing if SAFER were not available.

Generally, shelter allowances were found to be an efficient and effective method of providing access to housing for those in need.

D. SUMMARY

While the different evaluations are not entirely consistent with each other, we can detect some general themes in their conclusions:

- Cost-effectiveness comparisons are extremely sensitive to underlying assumptions about interest rates, operating costs, market rents, and rent-to-income rents.
- For new construction, cost comparisons using a variety of assumptions show that a conventional public housing approach can be cheaper than a rent supplement approach.

- When existing private rental units are available, both rent supplements and shelter allowances allow the government to expand the stock of low-income housing quickly and economically.

- Non-economic policy objectives, such as avoidance of ghettoization and ensuring security of tenure, should be considered in evaluating social housing programs.

A key variable in the cost-effectiveness of demand-side programs is the extent to which suitable units are already available in the market. If the supply is tight, the argument for the long-term cost-effectiveness of construction appears to strengthen. Thus, any system for rationally chosing between "build" and "rent" options must be able to track changes in housing supply and vacancy rates, continuously and accurately. Choices should be made on empirical rather than ideological grounds. Further development of analytical methodology is required.

Resolving arguments about the long-term effect and cost of different means of providing social housing is probably less important than finding the proper mix of different methods which best suit current conditions. No single means is able to meet all social housing needs.

VIII

AN ASSESSMENT OF EXISTING SOCIAL HOUSING PROGRAMS

Chapter Highlights

In this chapter, we present evaluative reviews of BCHMC, SAFER, PRAP and GAIN, as well as a review of 56.1 co-op subsidies as they have operated in B.C. The reviews focus on four key questions:

- ► Is the program serving only those in need?
- ► What proportion of the population in need is being served?
- ► Are benefits adequate?
- ► Is the program cost-effective?

On each of these questions, we rate the programs on a three-point scale. The chart below shows the results of our ratings.

EXHIBIT VIII-1 Summary of ratings

Review of Programs

	Serve Only Needy	Portion of Pop. Served	Adequacy of Benefits	Cost Effective
Co-op	P	P	G	P
PRAP	G	F-P	G	G-F
BCHMC	G	F	G	F
SAFER	G	F	F	G
GAIN	G	G-F	P	G

Key: G = Good F = Fair P = Poor

For co-ops[1] we found that:

- On average, 62%-70% of total subsidy went to units and tenants defined as being in need. The percentage of total subsidy going to those in need ranged from a low of 25% to a high of 99.4%.
- The average annual per unit subsidy was $7,619 or $635 per month.
- The public subsidy covers 66.7% of the total annual cash operating costs.
- Households with higher incomes paid an average of 15%-16% of their income for rent, while poorer households paid 25% or more for their rent.

Assessing the needs-effectiveness of the overall system we conclude that:

- The social housing system is assisting 200,000 in-need households.
- Up to 15,000 households who do not appear to be in need are also benefitting from the system.
- It is likely that some proportion of the core need population is not being served by the social housing system. We guess this may be as high as 50,000 households.
- Benefits from demand-side programs (GAIN, SAFER) are not sufficient to meet recipients' social housing needs fully.
- Benefits from supply-side programs are adequate but these programs are not as cost-effective as demand-side programs, or as widely available.
- The social housing system has the capacity to meet, fully or partially, the needs of 86% (or 215,000) of 250,000 in-need households.

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[1] Based on a sample of 60 co-ops for which complete information was available.

A. OUR APPROACH TO THE REVIEW

1. Scope

In Chapter VI, we described the current social housing delivery system. Federal-provincial components of the system were evaluated by the Social Housing Review. The federal government has since initiated significant program changes. These new delivery vehicles are only now coming on-stream so we cannot comment on their performance.

Provincial programs — BCHMC, SAFER, PRAP and GAIN -- remain to be evaluated. Within the time frame of the Commission, we were not able to conduct thorough effectiveness evaluations. These would have required the generation of a substantial body of original data. We did, however, carry out an evaluative review of these programs.

In addition to reviewing the provincial programs, we have carried out assessments of co-op housing. While the federal Social Housing Inquiry and the Nielsen Task Force on Housing have already evaluated the 56.1 program on a Canada-wide basis, we wanted to understand how the program worked in B.C. During this inquiry, many questions were raised about the role of B.C. co-ops in the social housing system and we therefore felt it appropriate to review this program as well.

2. Focus

We focussed our review on an assessment of the programs against the province's social housing policy objective as stated in the new Federal-Provincial Global Funding Agreement:

> "The objective... is to assist those HOUSEHOLDS IN NEED to enable them to obtain affordable, adequate and suitable accommodation..."

According to Section 1.1(3) "HOUSEHOLDS IN NEED" means those households which cannot afford or obtain adequate and suitable accommodation. This includes those households:

a) Occupying a crowded or inadequate dwelling and currently paying less than 30% of their income for shelter; but for whom basic shelter costs for an adequate and suitable dwelling available in their market area would consume 30% or more of their income, as these terms are defined in the Operating Agreement.

b) Paying 30% or more of their income for shelter and for which an adequate and suitable dwelling available in their market area would consume 30% or more of their income.

c) Having a need for special purpose accommodation as defined in the Operating Agreement.

First, we must repeat our reservations about the definition of core need, as indicated in Chapter IV. The "in-need" population defined by the CMHC core need approach is larger than the populations defined by either the Statistics Canada low-income lines or the SPARC subsistence lines. The level of assistance required to bring a given household out of the core need category is higher than would be required if a more restrictive definition of need was used. We understand, however, that the core need definition is the one used to define target populations and eligibility for federal-provincial cost-shared social housing programs, rather than to define appropriate benefit levels. We have, therefore, taken it as our assessment standard in this review.

Second, we must stress that this objective is not one the specific programs were designed to meet. Rather, each program has its own objectives and, in some senses, success and failure can only be judged against those objectives. Nonetheless, BCHMC, SAFER, PRAP, GAIN, and Co-ops are important components of the social housing delivery system. We felt it was important to assess their contribution to reaching the province's overall social housing policy goal against a common standard of core need.

Given the province's overall policy objective and the Commission's terms of reference, we focussed our review on four key questions:

- Is the program serving only those in need?
- What proportion of the population in need is being served?
- Are benefits under the program adequate, that is, sufficient to remove recipients from the core need category?
- Is the program cost-effective?

We rated each of the programs as good, fair or poor with respect to these questions. The chapter concludes with a discussion of the overall effectiveness of the current system.

B. PROVINCIAL RENTAL ASSISTANCE PROGRAM (PRAP)

1. Service to those in need — Good

PRAP is well-targeted to those in need.

PRAP provides supplements in the form of operating subsidies for senior citizens and the disabled living in non-profit units constructed under the 56.1 program. Supplements are provided only for residents who would have to pay more than 30% of their income to rent these units. By design, then, PRAP directs assistance only to those in need.

2. Proportion of population served — Poor to Fair

PRAP serves only a small proportion of the total population in need. PRAP, however, can only go to units constructed with provincial Seniors and Disabled Grants. Its potential to reach a significant portion of the core need population is thus greatly constrained.

PRAP supported 494 units in 1985-86. According to BCHMC estimates, over 9,000 seniors and approximately 7,000 disabled persons are in core social housing need. While some of the potential beneficiaries will be receiving assistance from other components of the system, PRAP appears to be meeting only a fraction of the total need.

3. Adequacy of benefits — Good

The level of benefits under PRAP is adequate. The formula for PRAP subsidies ensures that residents pay no more than 30% of their incomes for rent.

4. Cost-effectiveness — Fair to Good

The cost-effectiveness of PRAP can be rated as fair to good. In 1985/86, the estimated cost per unit for PRAP subsidies was $1,486. As PRAP subsidies are stacked on 56.1 interest write-down subsidies, the actual cost per unit is much higher. Alternatives such as SAFER may be less costly.

PRAP is aimed at the disabled population and seniors. PRAP enters into agreements with non-profit societies to provide a certain number of units. Like other rent supplement programs, PRAP pays a price to ensure that these units are kept available. Since the province has already agreed to pay subsidies for the units, there is some necessity to keep the units occupied. Even if less costly accommodation is available, the PRAP units are likely to be filled first. However, given the large number of potential clients and the allocation of PRAP subsidies to areas with tight rental markets, in most cases it seems unlikely that less costly alternatives could easily be found.

C. B.C. HOUSING MANAGEMENT COMMISSION (BCHMC)

1. Service to those in need — Good

BCHMC units are relatively well-targeted to those in need. Units are available only to those who would have to pay more than 30% of their adjusted family incomes for rent. BCHMC gives priority to the most needy, using a point system which looks at factors such as family size, disability, and availability of suitable accommodation in the private market.

2. Proportion of population served — Fair

BCHMC directly manages approximately 7,700 units and administers a further 5,000 rent supplement units.

If, as we argue, the "in-need" population is around 250,000 households, then BCHMC is serving about 5% of in-need households.

3. Adequacy of benefits — Good

Benefits for BCHMC residents are adequate. The rent calculation formula ensures that residents pay no more than 30% of adjusted family income for rent.

4. Cost effectiveness — Fair

We consider the cost-effectiveness of BCHMC to be fair. A significant portion of BCHMC units were constructed under NHA Sections 40 and 44 and are now more than a decade old. Economic rents for these units are likely to be close to the low-end-of market rents charged by BCHMC. The costs for BCHMC rent supplement units are also reasonable. Any inefficiencies probably have more to do with the utility of public ownership over time rather than with the management of specific programs.

We are concerned about construction or purchase of new social housing units in areas where private rental units are available. We feel that a shelter allowance approach would be more cost-effective than expansion of BCHMC's portfolio.

D. SHELTER AID FOR ELDERLY RENTERS

1. Service to those in need **Good**

SAFER's performance in serving only those in need can be rated as good. Eligibility for SAFER is limited to those who pay more than 30% of income for adequate housing.

While the program is open to any recipient of federal Old Age Security benefits, the SAFER benefit formula establishes effective ceiling income levels. At present, ceiling incomes are $1,100/month for singles and $1,216.67/month for couples. For both singles and couples, ceiling levels are very close to the CMHC minimum Core Need Income Thresholds ($1,083.34, single; $1,208.33, couple). As the newly signed federal-provincial agreements accept the CMHC thresholds as defining core housing need, virtually all SAFER beneficiaries are in the core need group on the basis of the agreement's definition of core need.

2. Proportion of population served **Fair**

We have rated SAFER as only fair in reaching the population in need. Exhibit VIII-2 shows the number of SAFER beneficiaries from 1980/81 to 1984/85. The number of recipients has declined over this period, reflecting increases in OAS/GIS rates.

EXHIBIT VIII-2 SAFER beneficiaries

Year	Number of Households Benefitting	% Change From 1980/81
1980/81	12,500	
1983/84	10,020	(19.8)
1984/85	9,962	(20.0)

In 1985, only 9,962 households received SAFER benefits. This figure is substantially lower than the Ministry of Human Resources original (1977) estimate of 26,000 potential recipients, and lower than CMHC's 1982 estimate of over 24,000 elderly renter households in need. The take-up rate for SAFER would appear to be much less than 50%. This low take-up may stem, in part, from administrative procedures which require yearly re-application.

3. Adequacy of benefits Fair

SAFER benefits can only be rated as fair because, by design, they are insufficient to remove recipients fully from core housing need.

The program is structured so that it will pay 75% of the amount by which actual rent exceeds 30% of total household income. There are maximum levels of claimable rent. For singles, the maximum amount of rent that can be claimed is $330 per month; for couples or sharers, this maximum is $365 per month. If actual rent is higher than these maximums, the applicant may still qualify for SAFER benefits but assistance will only be calculated subject to these rent ceilings.

The following examples illustrate how the program would work for a single or a couple whose sole income is the OAS/GIS:

Benefit Calculation Rules	Single		Couple
Income	$670.00		$1,122.70
30% of income	201.00		336.81
Maximum eligible rent	330.00		365.00
Difference	129.00		28.19
75% of this	96.75	(SAFER grant)	21.14
Extra to be paid by renter	32.24		7.05
Total rent paid by applicant	$233.24		$ 343.86
After SAFER rent as % of income	34.8 %		30.6 %

The above two examples assume that a single senior's actual rent is no higher than $330, and that for a couple or sharers the rent is no higher than $365.

For both single recipients and couples, SAFER cannot reduce rent to 30% of income. Benefits for singles, however, appear to be less adequate than benefits for couples.

4. Cost effectiveness Good

The average SAFER benefit in 1985 was $859/year. SAFER appears to be a cost-effective method to solve seniors' affordability problems. Under SAFER, maximum benefits went to those whose incomes are lowest (Exhibit VIII-3), which is an efficient use of resources.

EXHIBIT VIII-3 SAFER benefits — April, 1984

Total Income (Including SAFER) Less Actual Rent	Singles		Couples		Sharers	
	Cases	Avg. Benefit	Cases	Avg. Benefit	Cases	Avg. Benefit
Less than $100	13	$116.83	--	--	--	--
$101 - $150	17	106.95	--	--	--	--
151 - 200	52	115.24	--	--	3	$12.85
201 - 250	166	117.69	1	$48.45	12	14.09
251 - 300	396	117.57	--	--	36	12.69
301 - 350	1,455	115.46	2	60.47	78	12.47
351 - 400	3,348	76.35	1	79.13	106	10.49
401 - 500	2,486	67.43	21	51.57	3	2.39
501 - 600	828	45.95	111	51.46	--	--
601 - 700	281	24.72	421	37.71	--	--
701 - 800	39	7.56	241	20.07	--	--
801 +	--	--	20	7.20	--	-
TOTAL	9,081	$ 78.40	818	$34.11	238	$11.58

Source: Ministry of Human Resources

E. GUARANTEED AVAILABLE INCOME FOR NEED

1. Service to those in need **Good**

GAIN can be rated as good in terms of serving only those in need. The program is targeted specifically to those in financial need who have no other source of support. The GAIN program also provides special assistance to the disabled and to seniors. Tight eligibility criteria ensure that virtually all GAIN recipients are in need.

2. Proportion of population served **Fair to Good**

We have rated GAIN's performance in reaching the in-need population as fair to good. It does a better job according to its own need definition, and a poorer one according to prevailing social housing definitions.

Since GAIN is well known as the primary provincial assistance program, it is likely that a fairly high proportion of the eligible population is being served. GAIN, however, has a much more restrictive definition of need than the Federal-Provincial Global Funding Agreement does. Many people defined as being in core housing need are not eligible for GAIN assistance with shelter costs.

3. Adequacy of benefits **Poor**

We consider GAIN to be doing a poor job of providing adequate benefits.

GAIN assistance can be divided into two components: (1) a support allowance covering food, clothing, etc., and (2) a shelter allowance. Exhibits VIII-4 through VIII-6 show current GAIN rates.

Because of the structure of the GAIN rates, recipients receiving the shelter maximum pay more than 30% of income for housing. According to our computations, rent as a percentage of maximum total assistance can range from a low of 43.1% (for an unemployable 10-person family unit in receipt of income assistance for a period in excess of 8 consecutive calendar months) to a high of 61.5% (for a single recipient under 25 during the first month of assistance). This design feature results in the continued inclusion of GAIN recipients within the core housing need population.

We acknowledge that not all GAIN recipients will need the maximum shelter allowance. An estimated 15% of GAIN recipients receive housing through BCHMC and these households pay a maximum of 30% of their income for shelter. Further, some unknown proportion of GAIN recipients will have found market housing at less than the maximum shelter rate.

EXHIBIT VIII-4 GAIN rates for single recipients and couples without children

Family Unit Size	Category of Recipient	Support Allowance	Shelter Maximum	Total
1	Age 25 or under, 1st month	$125	$200	$325
1	Age 25 or under, 2nd to 8th month	150	200	350
1	Age 25 or under, after 8 months, employable	175	200	375
1	Age 25 or under, after 8 months, unemployable	230	200	430
1	Age 26 or over, 1st month	150	200	350
1	Age 26 or over, 2nd to 8th month	175	200	375
1	Age 26 or over, after 8 months, employable	175	200	375
1	Age 26 or over, after 8 months, unemployable	230	200	430
2	Couple, both aged 25 or under, 1st month	230	340	570
2	Couple, both aged 25 or under, 2nd to 8th month	255	340	595
2	Couple, aged 25 or under, after 8 months, employable	280	340	620
2	Couple, aged 25 or under, after 8 months, unemployable	335	340	675
2	Couple, at least one aged 25 or over, 1st month	255	340	595
2	Couple, at least one aged 26 or over, 2nd to 8th month	280	340	620
2	Couple, at least one aged 26 or over, after 8 months, employable	280	340	620
2	Couple, at least one aged 26 or over, after 8 months, unemployable	335	340	675

EXHIBIT VIII-5 GAIN rates for all family units with dependent children who are in current receipt of basic income assistance for a period of LESS than eight consecutive calendar months and for employable family units with dependent children who have been in receipt of income assistance in excess of eight months

Family Unit Size	Support Allowance	Shelter Maximum	Total
2 persons	$300	$340	$ 640
3 persons	360	410	770
4 persons	415	455	870
5 persons	470	495	965
6 persons	530	520	1,040
7 persons	585	525	1,110
8 persons	635	545	1,180
9 persons	685	565	1,250
10 persons[1]	735	585	1,320

[1] Add $50 per month support allowance and up to $20 per month shelter variable for each family member in excess of a Unit 10.

EXHIBIT VIII-6 GAIN rates for unemployable family units who have been in receipt of income assistance for a period in excess of eight consecutive months. These rates also apply to recipients who are aged 60 to 64 years or to family units where a member of the unit is aged 60 to 64. There is no eight month reduction in benefits for persons aged 60 to 64 years

Family Unit Size	Support Allowance	Shelter Maximum	Total
1 person	$230	$200	$ 430
2 persons	335	340	675
3 persons	395	410	805
4 persons	450	455	905
5 persons	505	495	1,000
6 persons	565	510	1,075
7 persons	620	525	1,145
8 persons	670	545	1,215
9 persons	720	565	1,285
10 persons[1]	770	585	1,335

[1] Add $50 per month support allowance and up to $20 per month shelter variable for each family member in excess of a Unit 10.

The figures in Exhibit VIII-7, however, indicate that GAIN recipients' actual average shelter costs are in fact as much as 15% higher than the current maximum shelter allowance. The severity of the problem decreases as family size increases. Based on actual average rental costs, rent as a proportion of maximum total GAIN assistance ranges from a high of 71% to a low of 46.2%.

EXHIBIT VIII-7 Comparison of GAIN maximum Shelter Allowances and Actual Average Costs

Family Size	(1) 1986 Maximum Shelter Allowance ($ per month)	(2) 1986 Average Actual Shelter Costs ($ per month)	% By Which (2) Exceeds (1)
1	$200	$231.56	15.8
2	340	371.88	9.0
3	410	444.16	8.3
4	455	485.09	6.6
5	495	515.56	4.3
6	510	536.76	5.2
7	525	538.12	2.5
8	545	561.01	2.9

From a social housing perspective, then, GAIN benefits do not fully satisfy the social housing needs of GAIN recipients.

We would estimate that GAIN is paying the full shelter costs for no more than 30%-40% of households in the program.

4. Cost effectiveness **Good**

We believe the GAIN program to be a cost-effective approach to providing social housing. GAIN pays no more than actual shelter costs. Tight shelter allowance maximums ensure that recipients are not "over-consuming" housing. The program does not involve the government in long-term commitments to mortgage subsidies and can be adjusted quickly in response to changes in the size of the in-need population.

So the GAIN mechanism has the capacity to provide social housing benefits to the greatest number of households, for any given level of expenditure. Its characteristic weakness is that, precisely because its costs can be controlled, program managers can sometimes use this to delay responding to increases in actual shelter costs. This can force recipients to "under-consume" food, clothing, etc., in order to cover basic housing costs.

F. NON-PROFIT HOUSING COOPERATIVES

As part of the preparation of the preliminary report dated April 21, 1986, a review was done of the Non-profit Housing Co-operative Subsidy Program carried out by Canada Mortgage and Housing Corporation under Section 56.1 of the National Housing Act. To do this we collected financial details on a small group of co-ops. This review was done to gain a better understanding of how the program has worked at the project level in B.C. Particular emphasis was placed on attempting to reach a conclusion as to the proportion of the total subsidy which was reaching people determined to have been in need.

This review was reasonably successful in obtaining and analyzing the information required. A small sample of projects were examined for the preliminary report of the Commission. The conclusions drawn from the sample examined were found to be useful. So the decision was made to look at all the non-profit housing co-operatives in the province to determine the total amount of subsidy being received and the proportion which was going to income-tested tenants.

The information gathering process began in mid-May. It was hoped to have everything gathered and analyzed by the first week in June. Unfortunately, the success with which information had been obtained for the preliminary report was not matched for the final report. Information was obtained for no more than half the total estimated number of relevant co-operative projects in B.C. Nevertheless, the available information was analyzed and conclusions drawn on the basis that these did represent a major portion of the co-operatives in the province.

1. Procedure

a) A list of housing co-operatives was requested from CMHC and the Superintendent of Co-operatives for the province. CMHC provided two lists. The first included all types of housing projects, while the second had the co-operatives listed by year of approval and region. The initial list received was for the Lower Mainland only. As a result of a subsequent request, a list for the remainder of the province was obtained. It was difficult to determine from these lists how many projects there were and which should be included in our examination.

A separate listing of co-ops was obtained from the Provincial Superintendent of Co-operatives. It appeared to be quite complete and was arranged in alphabetical order. As this was the easiest list to work from, it was used as a starting point for the study. The CMHC list of co-ops was compared to the provincial list to ensure that all CMHC-listed projects were included on that of the Province. CMHC was then asked for financial statements and extracts from the annual information data report for each co-op. CMHC agreed to provide the data report extracts, but due to manpower constraints, requested that we obtain the annual financial statements from the Provincial Superintendent of Co-operatives. After some delay, the extracts were provided to us.

Representatives of the Commission visited the Superintendent of Co-operatives Office and made photocopies of the most recent financial statements of all housing co-operatives which could be found in their files. Our staff attempted to match up financial statements and data report extracts so that a complete analysis could be made for all projects. At this stage, increasing difficulties were encountered. An analysis of the list of co-ops will illustrate the status of information gathering that has been reached.

Co-op Group No.	Description	Number
One	Complete matching of financial statements and CMHC data report extracts were completed.	62
Two	Data report extracts were received but matching financial statements were not obtained. The Superintendent of Co-ops Office was visited twice and the Registrar of Companies files in Victoria were reviewed in an attempt to locate matching statements for these co-operatives. Files were found to be incomplete.	48
Three	Financial statements that have evidence of an agreement with CMHC for subsidies were obtained, but no data report extracts were received giving other project details.	7
Four	Similar to group three, except that there is evidence that it is the co-op's first year of operations. Therefore, no data report would be on file with CMHC.	5
		122

There were an additional 132 co-operatives listed on the Superintendent of Co-operatives sheets. For these, we could either find no financial statements or CMHC data information; or financial statements were obtained but contained no evidence of an agreement with CMHC. Therefore, they were presumed to be outside the program, only in the preliminary formation stage, or defunct.

It should be pointed out that for those co-ops in the above analysis for which incomplete or non-matching data were found, investigators went back to the source several times with lists trying to obtain the missing information. In the case of data reports without matching financial statements, the statements should be on file with CMHC. A last request was made of CMHC for this information. But officials advised that due to a lack of manpower resources, they were reluctant to provide these statements because this information should be available from provincial files. In the absence of a good reason why the province could not provide this information, CMHC officials were not prepared to further commit their resources to this project.

Discussions with the Provincial Co-operative Office indicate that the annual filing requirements are not always met on a timely basis and that, as a rule, non-filings are not immediately followed-up. Data, as a result, are often incomplete.

c) The information was analyzed for the 62 co-ops on which we gained complete information. We determined the total amount of CMHC subsidy received and then broke that total subsidy out between the portion that went to income-tested tenants and that to non-income-tested tenants. The total CMHC subsidy for a given project consists of an interest portion and a rental portion. The interest portion applies to all units, including those occupied by non-income tested tenants, and a rental portion which is provided only to tenants who have been income tested and determined to be in need of assistance. To determine the allocation of the total subsidy between income-tested and non-income tested tenants, the following facts were gathered:

- The total subsidy was obtained from the annual financial statements.
- The rental portion of that subsidy was obtained from the annual project data report extracts.
- The proportion of unit months for each project that went to income-tested tenants was determined by comparing the unit months which were subsidized per the annual data report extracts, to the total unit months available in the project. Then this ratio was multiplied by the total subsidy, less the rent subsidy, to determine that portion of

the "interest" subsidy which went to income-tested tenants.

- These numbers were accumulated on a Lotus 1-2-3 spreadsheet, by region, to determine the total interest subsidy and the allocation of that subsidy between income-tested and non-income-tested tenants.

- Two projects were found to be atypical due to start-up difficulties. Commission staff were unable to determine the actual number of tenants in these projects who were in need. To minimize any bias, the subsidy received by these projects was allocated between income-tested tenants and non-income-tested tenants using the average split for the other 60 projects.

The data on which the analysis is based are given in Appendix R.

2. Results

It was determined that for the latest fiscal year available for 60 co-ops, there was a total subsidy of $24,831,506. This was divided as follows:

To income-tested tenants	$17,441,651	70%
To non-income-tested tenants	7,025,855	30%
	$24,831,506	100%

The total number of units involved was 3,259, giving an annual per unit subsidy of $7,619 or $635 per month. The average original cost of these units was approximately $71,000 and they generated an average rental revenue of $359 per month.

For the sample of 60 co-ops reviewed, 70% of the total subsidy went to units and tenants defined as being in need to some extent.

The percentage of total subsidy going to those in need ranged from a low of 25% to a high of 99.4%.

The total subsidy to those in need was divided into $3,754,089 or 21.5% for rent subsidy and $13,687,562 or 78.5% for mortgage interest subsidy. Thus, the interest subsidy is more than three times greater than the rental subsidy which goes to those most in need. The formal subsidy to those not income-tested is, of course, entirely applied to interest.

The public subsidy covers 66.3% of the total annual cash operating cost of $37,457,947.

We cannot be certain how more complete information would alter these figures.

We also analyzed the incomes and rents paid by the residents of several co-operatives. We found that there is an inverse relationship between household income and the percentage of it paid as rent. Households with higher incomes paid an average 15%-16% of their income for rent; while poorer households paid 25% or more for their rent, notwithstanding the subsidies. This regressive pattern is a prime example of vertical inequity.

It is also clear that the total average monthly subsidy exceeds the average monthly shelter allowance paid by either GAIN or SAFER, by a significant margin. For example, the average monthly subsidy of $635 is 39.6% greater than the GAIN shelter maximum for a family of four persons.

The two atypical co-ops noted in 1.c) above did not identify any significant portion of subsidy as being allocated to rent assistance to income-tested tenants. If these co-ops are included in the analysis on the same basis as all the others, the allocation of subsidy would be as follows:

To income-tested tenants	$15,454,955	62%
To non-income-tested tenants	9,376,551	38%
	$24,831,506	100%

3. Service to those in need **Poor**

The co-ops appear to be serving a substantial proportion of households who are not in need. We estimate that 40%-50% of co-op units are occupied by in-need households. We must point out that this figure is substantially higher than the 15% required of the co-ops; and many co-ops have worked hard to serve the low-income population. Nonetheless, we are concerned about the significant leakage of benefits to non-needy households. Under the new federal-provincial arrangement this problem should be lessened.

4. Proportion of population served **Poor**

Co-ops serve only a small proportion of the in-need population. We estimate that there are about 10,000 co-op housing units in B.C. Of these, we estimate that no more than 5,000 are being occupied by in-need households. The co-ops appear to be serving only about 2% of the in-need households in the province.

5. Adequacy of benefits Good

The level of benefits for co-op residents is adequate. Households pay no more than 30% of their income for rent.

6. Cost-effectiveness of co-ops Poor

In effect, the 30%-38% of subsidy expenditures going to the non-needy may be needed to give these better-off households an incentive to live in co-op units. This is said to be justified by the social value placed on having a mix of higher and lower incomes in the buildings. So, the question comes down to this. Is the cost of income mixing purchased in this way the best use of these funds? Or are there other, more cost-efficient, ways of attaining this same objective? We believe there are.

In overview, income mixing itself can be promoted more widely by a direct shelter allowance system which allows lower income households direct access to market rental units already containing households with higher incomes. This, of course, requires adequate levels of shelter allowance. If the levels of allowance continue to be inadequate, ghettoization by income can occur.

In mixed income co-op units, some degree of subsidy for higher income households is probably unavoidable as an incentive to live there. Indeed, under the new Global Agreement, these incentives could become even more vital to the financial health of co-op units. Will the new agreement make it more or less expensive to attract higher income households into co-ops? This matter should be monitored carefully.

G. THE NEEDS EFFECTIVENESS OF THE OVERALL SYSTEM

1. The past

Given major weaknesses in data quality and the unresolved conceptual issues about what need is, it is not possible to answer with certainty questions about the extent to which the present system meets provincial need.

However, there are some estimates which we find to be at least modestly persuasive.

Taking social need to be simply the percentage of households in the province that spend in excess of 30% of their income for housing, here are the percentage of households "in need" in 1982:

Home owners without mortgages	11.8%
Roomers and those living rent free	14.8%
Home owners with mortgages	27.6%
Renters	31.6%

Source: CMHC. The base is 100% of the number of households in each tenure category.

As can be seen, apartment or house renters were more likely to be "in need" than other groups. In real numbers, the renters spending over 30% represented around 116,000 households.

It is likely that some proportion of these households with higher incomes were in fact making expenditures above the 30% bench mark by choice; and experiencing no resulting hardships.

CMHC's most recent estimate is that there are 86,000 renters in British Columbia in core housing need.

The provincial proportion of renters in core need is said by CMHC to be the highest in Canada.

In 1982 there were said to be 16,000 households living in crowded conditions and 112,000 households living in dwellings needing major repairs. In both cases the trend is to a declining percentage of the total stock which is inadequate. Over the period 1972 to 1982, the proportion of crowded households declined from 5.3% to 1.6% and the proportion of dwellings lacking basic facilities declined from 6.0% to 1.7% of the total.

The above data suggest that while progress is being made in improving the adequacy of housing, affordability is a growing problem and this makes the issue of the adequacy of income supplement programs even more significant.

We have seen no clear data on whether the trend has been toward an increase or decrease in the overall percentage of those in need who are being serviced by the provincial social housing system. We do believe there has been some recent decline in the percentage of the need being satisfied in the average household in need.

2. Current need

We assume that those now receiving benefits from British Columbia social housing programs, because of income-testing or some other demonstration of need, should be added to the CMHC estimate of those in core need, to arrive at a total amount of households who require social housing. In Exhibit VIII-8, we

EXHIBIT VIII-8 Estimate of social housing beneficiaries who are and are not in need

	Program	Total Residents/ Recipients	% In Need[1]	Number In Need	Number Not In Need
1.	Public Housing	7,856	95%	7,463	393
2.	Private Rent Supplements				
	- NHA 44.1(a)	1,097	100%	1,097	-
3.	NHA				
	- 56.1 private non-profit	8,397	65%	5,458	2,939
	- 15.1 private non-profit	17,173	75%	12,880	4,293
4.	NHA				
	- 56.1 public non-profit	2,782	60%	1,669	1,113
	- 15.1 public non-profit	533	70%	373	160
5.	Co-operatives				
	- 56.1	8,443	40%	3,377	5,066
	- 34.18	1,700	50%	850	850
6.	Community Care				
	- Health	1,765	100%	1,765	-
	- Human Resources	1,530	100%	1,530	-
7.	SAFER	9,432	100%	9,432	-
8.	GAIN[2]				
	- General	127,207	100%	127,207	-
	- Senior Supplement	26,350	100%	26,350	-
TOTAL		214,265		199,451	14,814

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[1] These percentages are rough estimates derived from discussions with knowledgeable program administrators.

[2] GAIN beneficiaries have been discounted by 15% to allow for the estimated 15% who are living in social housing and so are already counted in other figures.

list a rather arbitrary estimate of program beneficiaries who are likely to be "in need".

There is no way to estimate current social housing need in British Columbia without being somewhat arbitrary; and any conclusions reached must be regarded as provisional. Nevertheless, making an estimate is necessary. To minimize misunderstandings, we have made explicit the assumptions used.

The Neilsen Task Force Report on housing estimated British Columbia's core need at 167,000 households, including both renters and owners. These are based on 1982 data from Statistics Canada (see Housing, pp 22-23).

It seems likely that some of the 167,000 counted by CMHC as in need are among the almost 200,000 "in-need" beneficiaries shown in Exhibit VIII-8. But we are unsure of the degree of overlap. We do know that:

- Approximately 165,000 households served through GAIN and SAFER would be 'in need" as defined by CMHC.
- Approximately 35,000 more in-need households are having their needs fully met by supply-side programs.
- Up to 15,000 households not in need are benefitting from the system.

We do not know how many in-need households receive no assistance at present, but we believe that a figure of 50,000 can be used as an upper limit. Our analysis of the latest low-income figures for the province, which were presented in Chapter V, tends to confirm this estimate.

We suggest, then, that:

- 250,000 B.C. households have some degree of social housing need.
- The present system has the capacity to meet, fully or partially, the needs of 215,000 or 86% of these households.

So the objectives to be pursued are to bring more of the 50,000 needy households now not assisted into the social housing system; and to increase the proportion of defined need met for those already in the system.

Here, we should note a central paradox. By most accounts, the housing construction/supply segment of the social housing system is generally less cost-effective in focussing dollars on the most needy than is the demand/income supplementation segment. While it covers only a relatively small segment of those in total core need, the housing supply program also generally offers more adequate benefits to those it helps.

The housing supply segment is, at present, too cost-ineffective to be a vehicle for reaching a majority of those in core need, over the short- to mid-term. But it does set a standard of adequacy which the income supplement segment has not attained.

If government wishes to focus future expenditures on the more cost-effective demand segment, it must also accept the need to increase the overall adequacy of this segment.

Housing "need" exists in two separate forms. The first is for shelter. The second is the impact of gaining this shelter on household income. In general, there has been much recent progress by the private market in providing access to better quality shelter. At the same time, there has probably been some degradation in the adequacy of the disposable income of needy families, because of the growing cost of housing. This suggests to us that a main item on the government's immediate social housing agenda should be better use of resources to assist with the monthly cost of rent for those most in need.

IX

MAJOR WEAKNESSES IN THE PRESENT SOCIAL HOUSING SYSTEM

Chapter Highlights

This chapter summarizes weaknesses in the present social housing system which were identified in written briefs submitted to the Commission, in the comments of people attending workshops with the various constituency groups, from the social housing conference, from meetings with individuals, and through the formal hearings. We have reviewed and here present those points which fall within the scope of our mandate, which we find of value. We discuss problems in the administration and delivery of social housing in the following areas:

- Nature and identification of needs.
- Matching services with people having different needs.
- Inter-governmental coordination of social housing policy.
- Public knowledge of and confidence in the system.
- Targeting of benefits.
- Integration of residents with different backgrounds.
- Security of tenure.
- Participation in the management of residential buildings.
- Dispute resolution.
- Private market incentives.
- Non-profit and commercial forms of ownership and management.
- Adequacy of income support programs.
- Availability of suitable housing.
- Needs of small communities.

We also look at evidence concerning alleged abuses and mismanagement in non-profit co-ops. We found that concerns centered on:

- Inadequate legislative provisions within which housing co-operatives operate.
- Insufficient education of new co-op members as to the philosophy and responsibilities of membership.
- Inability of members to manage effectively.
- Lack of ongoing CMHC support and involvement.
- Inadequate supervision during design and construction phases.

The main purpose of this chapter is to record these points for the consideration of the government. Where we have comments of our own, these are offered. These weaknesses are symptoms described by users of the social housing system. In subsequent chapters of the report, we attempt a diagnosis of the main causes of these symptoms, and venture to prescribe remedies.

Housing has a central impact on our lives. The view from the breakfast table, the street scene we pass through, the spirit and compatibility of our neighbours, have a profound effect on individual happiness. The importance of housing and the strong concerns came through very eloquently from those submitting briefs, making presentations, or explaining alleged abuses. For many, bringing the information to our attention required great personal effort and, in some cases, meant braving the criticism of their peers. Each encounter brings home the fact that a "housing unit" is people experiencing first hand the problems and frustrations tabulated in the following pages. We hope readers can look behind the sometimes formal prose, to see real people coping with the problems of life. Direct quotes from submissions are identified by the number assigned to the submission in Appendix D.

A. PROBLEMS IN THE ADMINISTRATION AND DELIVERY OF THE SOCIAL HOUSING SYSTEM

1. The nature and identification of needs

Although improvements have been made in the definition of needs, particularly in the definition used by CMHC, existing measures are unsuitable for determining the degree of social housing need, in a way which can be used by different programs on both the supply and demand side. Because of the lack of a suitable definition of need, and the varied requirements of the different constituencies wanting social housing, there is very limited evidence of the actual extent of need for social housing in the province.

A new means of defining need is required.

2. Matching services with people

At present, no well coordinated system exists for matching the various social housing programs with the wide variety of needs. Further, the system has no standardized method for the allocation of housing units with respect to length of waiting lists or degree of need. Only "persons lucky enough to find a vacant social housing unit" (S.30), rather than all who are in need, have their housing needs fully met by public programs. A central registry of overall needs and the specific needs of the various constituency groups would help to alleviate this problem.

Lack of a coordinated allocation system can lead to situations like that of a 59-year old widow who wrote us:

> "I personally am deterred from applying although I qualify in every way, because of a two-year wait in my area... But, please, while I am waiting for two years to get in, why not subsidize my rent: I pay $420.00 per month on an income of $683.78 for the same period." (S.53).

For the physically disabled, matching housing with needs is particularly important. The Sunny Hill Hospital for Children provided us with some examples of families facing both physical and financial barriers in finding suitable housing.

"Family A - Family A is a low income family whose daughter aged 10, one of several children, is paraplegic. They live in an old two story rented home in Vancouver with many steps, both inside and out. While their daughter was little they could carry her into the house and upstairs to her bedroom or bathroom. They have only $500.00 income available for rent, enough for the present home but not enough for rental of a fully accessible home, now urgently needed.

Family B - Family B with three children one a severely disabled boy aged 11 who is in a wheelchair or walker, live in a small

> older home in Coquitlam. Father is a blue collar wage earner. Mother could not work out of the home because of the needs of the disabled child. Were it not for the extra space that the disabled boy needs for his care and activities, the small older home would be adequate. They have been trying for two years to find funds to either allow them to add to their home or to move into a larger home. They have been unsuccessful." (S.110.)

Currently, we have no province-wide method of ensuring that priority is given to meeting the needs of families such as these. Even where a local system is in place for priorizing and/or matching needs with programs, the extent of need appears to exceed available resources. For example, the Red Door Rental Aid Society provides a housing relocation service in Vancouver. According to their submission (S.119):

> "In this past year almost 3,000 applicants came to our service for help in finding accommodation and a full one-third of those applicants were homeless. These homeless were not transients - our office does not deal with transients, only residents seeking permanent accommodation. Today we have a current caseload of 600 families and individuals who need housing, one-third of whom are presently in some type of emergency shelter such as a transition house or an infested motel or doubling up with relatives or friends. Cases of multiple families consisting of a dozen adults and children living in one bedroom suites while looking for housing is not uncommon at all, and is increasing. We are dealing with many newly-unemployed and U.I.C. exhaustees who are trying to survive the stress of substantially decreased incomes and the loss of their homes. We have seniors who have been hospitalized and will be released into the shabbiest house-keeping rooms because that's all that's available to them; we have tenants whose children are not enrolled in school because they're moving around from one emergency shelter to another while seeking a rental they can afford; we have psychiatric patients released from institutions with no money, no address, none of the support services they need and after a time spent homeless, going through trauma and disorientation, they end up back at the institution again. The list of tragedies goes on and on, the damage done resulting in higher social and economic costs

to the public. The majority of tenants on any form of government assistance are paying 50 to 75 percent of their income to shelter, and even then are still living in sub-standard or over-crowded accommodation."

This agency feels a province-wide registry is desirable.

3. Intergovernmental coordination of social housing policy

The federal, provincial and some municipal governments are involved in the delivery of social housing. Many municipal governments in the province are not directly involved in social housing delivery. But their role in zoning, land servicing and so on, does impact on the availability and cost of social housing. Policies of the three levels of government are inadequately coordinated. As one submission (S.29) put it: "Everybody's business is nobody's business."

4. Knowledge of and confidence in the system

At present, the public has very limited and sometimes inaccurate knowledge of social housing policies. As one submission (S.51) phrased it: "The public view of social housing is that we are providing high cost housing for low-income people."

Users feel their "say" in the system is inadequate. No forum exists at present for bringing together and balancing the views of the various constituencies associated with social housing. Both users of the system and taxpayers at large feel a general lack of confidence in the equity of the system. Many taxpayers see the system as offering generous benefits to those who do not need them. This low level of confidence in social housing is obviously a factor shaping the decisions of elected officials.

5. Targeting

Social housing policies vary a great deal in the extent to which they are specifically targeted to those in need, and in the extent to which the defined need is met. Viewing the system as a whole, many who are in need are not assisted at all or are assisted inadequately, and some who are not in need are provided with assistance.

Many user groups perceive that an excessive tendency towards targeting will lead to ghettoization. On the other hand, other persons and groups (principally the private sector) believe that a tendency towards less targeting is too costly and will lead to an inequitable allocation of funds.

This argument has overtones of the universality/selectivity debate in the income security field.

6. Integration

Many persons believe that each social housing development should be a microcosm of society, where persons of varying income levels, family types of different age groups, with and without disabilities, share the same community space. Integration is generally perceived to provide long term social benefits to disadvantaged groups, as compared to the ghetto effect of large scale, single client housing developments (e.g., Raymur Apartments). Housing co-operatives are often advocated as the most effective way of achieving integration.

Comments by some groups and individuals, however, suggest that while integration has its positive aspects, it should not automatically be considered the ideal in all cases. Many seniors, for example, have stated a desire for a quiet and peaceful living environment; and feel this is best achieved by seniors-oriented housing developments. According to representatives of several ethnic groups, the ethnic elderly also have a very real need for housing which allows them to maintain distinct cultural, social and religious ties.

At the Social Housing Conference residents of low-income housing developments expressed some indignation at the view that they reside in a ghetto. Some low-income residents are, in fact, pleased with their surroundings and would like more low-income public housing to be constructed.

The issue of integration also raises questions with regard to the allocation of scarce social housing resources. Is it necessary to integrate within the context of each housing development or can this be achieved at the neighbourhood level?

Our conclusion is that a policy offering the greatest freedom of choice to individual households is the preferred course.

7. Security of tenure

The need for reasonable security of tenure is an objective of all the social housing constituencies. This refers to reasonable security and predictability of access to housing stock -- whether provided commercially or by public or private non-profit organizations or directly by government -- and of stability of rents charged for that housing stock.

Tenure security is a major priority for low-income renters. The issue has been brought into public view by the recent evictions of renters in Vancouver's downtown east side.

Many persons consider that security of tenure is a "right" of all renters. Some participants in the social housing inquiry also expressed concerns about the threat to tenants when landlords do not properly maintain buildings. Housing co-operatives are frequently advocated as an ideal means by which to ensure security of tenure, and demand-side housing programs are criticized because they offer no additional protection to tenants.

Various measures were suggested as a means of providing security of tenure.

8. Participation in housing management

Concern about user participation in management arises where housing stock is provided directly by government or by public or private non-profit organizations and co-operatives. It refers to the importance of providing the recipients of social housing services with some participation in and control over the management of their housing circumstances.

9. Dispute resolution

Procedures for the resolution of disputes between tenants and between tenants and management need to be improved, both in private and publicly-owned buildings.

10. Private market incentives

a) Subsidies to the private market. It is believed that the provincial homeowner grant and the various incentives for private developers provide subsidies to virtually every housing unit constructed in B.C. These subsidies are viewed by many groups as an inappropriate and unfair "targeting" of funds, which should instead be directed to social housing programs. Some private sector representatives argue that stimulants to the private housing market serve objectives such as employment and economic development and that these should not be evaluated in terms of their ability to achieve income transfers. Other industry representatives fear that government stimulation can distort the market.

b) Private sector tax incentives. There have been several tax incentive programs aimed at encouraging private investment in multiple family residential development (e.g., the now defunct MURBs and CRSPs). The housing developed as a result of these programs is said to be unaffordable for low-income groups.

Tax incentive programs are opposed by low-income groups and some private sector groups.

11. The roles of non-profit and commercial sectors

Most user groups believe that the management and ownership of social housing facilities should remain in the non-profit as opposed to the commercial sector. Their major point is that profits should play no part in providing shelter to socially disadvantaged persons.

Non-profit management/ownership is believed to provide lower cost, better built and better managed housing; and offer greater opportunities for user input. It is acknowledged, however, that the private sector plays an important role in other aspects of social housing, including design, construction and financing.

Private sector organizations generally do not deny that non-profit ownership and management of social housing has positive aspects, but are critical of non-profit groups in some respects:

- Lack of management and development skills can mean higher housing costs.
- Resource groups are given large amounts of public funds with what is seen as little scrutiny or accountability.

The private sector wants more opportunities to compete with non-profit groups in the development of social housing. One suggestion for promoting such opportunities was for the government to increase access to creative financing vehicles for the private sector.

To reduce long term public housing costs, some private sector groups have recommended that some social housing stock should be sold to the private sector. Funds realized could be allocated to the provision of social housing stock which is required for persons with special needs. Tenants of privatized social housing could remain in their existing accommodation through shelter allowances or rent supplements. This idea found limited support in the inquiry.

In response to arguments that the need for profit increases housing costs, private sector representatives argued that the increased efficiency of private sector management outweighs this cost.

12. Inadequate income support programs

Where social housing is treated as a problem of affordability, the rates and other components of income support programs generally bridge only part of defined income inadequacy. Further, present income support programs do not assist the working poor with housing problems.

13. The availability of suitable housing

This general problem can be broken down into several points, which are relevant whether social housing services are delivered through the construction of housing stock or the provision of income support to obtain housing from the existing stock.

a) Locational considerations. The need for appropriate locations for social housing is consistently raised as a priority. Location is generally considered a central element in defining housing suitability. It is recognized that the location of a social housing development must be linked to the specific requirements of the user groups. For most groups, locations that provide access to public transportation and support services are desired. Groups with special needs, such as the disabled, have specific requirements for housing. The elderly require locations that are close to important social, cultural, religious services and medical facilities.

A key issue facing location is that land providing access to needed services and facilities is usually more costly, because it is also attractive to competing uses. Questions that emerge include the following:

- Should fewer people be subsidized to live in areas where land costs are high? Or is it preferable to assist more people to live in less accessible areas which have lower land costs and incur greater transportation costs?

- Should the value of the land dictate where social housing is built? Or should the locational needs of user groups come first?

Several groups advocate more government provision of low cost land. Others suggest that a loosening of land use regulations in suburban areas would free up more developable land and reduce land costs in more urban areas, which are accessible to more services and facilities needed by low-income groups.

b) The importance of physical design. Special needs, particularly of the elderly and the disabled, need to be taken into account in housing architecture.

Suitable housing design is a top priority of disabled groups, who feel that most of the available public and private housing is unresponsive to their unique physical requirements. Disabled persons desire housing that removes all physical barriers, not only within the unit itself, but in the whole site.

Disabled groups point out that varying types of disabilities require different design solutions. Thus, designs for disabled-oriented housing must be flexible. Some groups have suggested that total flexibility in the design of all new housing is a desirable goal i.e., housing which is suitable for all types of disabled persons and is also useable by persons without disabilities. These groups have suggested that housing design should be more adaptable to both uses.

Another point on which broad agreement was evident is that more user input into the design of housing facilities is required. In this regard, housing co-operatives are often cited as providing the best avenues for user input into the design process.

c) The importance of the care component of social housing. Social housing services should be integrated with community care services such as meals-on-wheels, and related health and social services. This means that social housing policies must be coordinated more effectively by the different ministries in the provincial government involved with social housing policy and related care services. This issue is related to the intergovernmental coordination referred to above.

Many groups suggest that social housing must be closely linked to an appropriate array of social and health services. Some specific examples are:

- **Seniors:** A range of housing facilities and personal care services are needed, as health care requirements of many seniors increase over time.
- **Disabled:** Housing design must acknowledge that some disabled persons require live-in helpers. Disabled persons require a range of housing facilities with a mix of services which are essential for their ability to live independently.
- **Single mothers:** Access to transportation, employment, and day care services is important.
- **Battered women:** Secure, affordable housing and counselling are required.

The predominant attitude is that the potential benefits of having health and social services are diminished if they are not provided jointly, in a coordinated fashion.

Many senior groups believe that in-home care services are among a number of innovative programs, including home-sharing and congregate housing, which should receive more consideration as part of a social housing strategy. In-house care services can allow seniors, who require a moderate degree of assistance, to remain in their own homes. It is widely perceived that seniors who wish to remain at own home derive various social benefits from this. Helping seniors maintain residence in their own homes reduces the demand for additional housing stock.

The major problem is said to be poor coordination of governmental housing and support services. These services do not appear to be always viewed in terms of their beneficial effects on social housing utilization.

d) The importance of emergency and transition housing. There are inadequate emergency and transitional housing services in major metropolitan areas, and almost no such services outside the major metropolitan areas.

e) The importance of balanced communities. Social housing policies should contribute to balance and integration in communities across such various dimensions as income, age, physical and mental ability, and ethnic group.

14. Innovation

There is inadequate government support for innovative housing concepts such as congregate housing and home sharing. Supportive and congregate housing are frequently advanced as a partial solution to the housing needs of various groups, including seniors, mentally and physically disabled, women with special needs and even those without special needs. This form of housing is typically envisioned as a relatively small group home. Residents live communally and are responsible for most of their own personal requirements, but with a modest degree of assistance provided by a social service agency.

Congregate housing is an innovative housing concepts which enables persons who require assistance to live semi-independently. In addition to enhancing personal dignity, congregate housing is perceived to reduce the demand for expensive continuing and intermediate care facilities.

15. Needs of small communities

Research has shown that communities throughout British Columbia face a variety of problems related to the shelter and service needs of disadvantaged groups. Smaller communities are often susceptible to relatively large and rapid ebbs and flows in the supply of housing. Such is the case with single industry or resource based communities. At present, poor economic conditions have helped make housing more affordable in small communities, but this situation could change rapidly.

Residents of small communities have problems that mirror those of residents in Vancouver. However, the smaller communities are often unable to support the range of social services necessary, and choices in living accommodation for some groups such as the disabled are limited.

Many persons suggest that information about the social housing needs of small communities is lacking and must be improved. It was also suggested that flexibility to adapt to local needs must be part of an overall social housing strategy for small communities.

B. EVIDENCE ABOUT ABUSES AND MISMANAGEMENT OF THE SOCIAL HOUSING DELIVERY SYSTEM

Because of reports of abuses in the social housing delivery system, the Commission held formal hearings of inquiry from June 2 to June 5, 1986 at the University of British Columbia campus. The purpose was to hear concerns by members of the public about the management and delivery of social housing. The hearings were not meant to focus on the activities of particular individuals, but rather to hear evidence of any abuses in the system, with a view to recommending ways of avoiding them in the future.

The scope and focus of the hearings was dictated by the responses we received to newspaper advertisements and the issues raised by those who responded. Virtually all respondents were users or advocates of the federal co-operative housing program. We received only one response from a user of the provincial or municipally-owned and operated housing and none from users of the public or private non-profit housing. This one response was from an elderly resident of a provincially managed facility, complaining of the "unhappy atmosphere" which she attributed to behaviour of certain other residents, mainly families with school-age children. We also received a letter from a disabled individual formerly from out of the province, concerned that the lack of provincial reciprocity in residency requirements for provincially operated facilities made it difficult to move from one province to another.

We received a number of responses from people who did not appear at the hearings, in some cases because their evidence could not be sufficiently substantiated by Commission counsel. They were not invited to testify. In this category fell a substantial number of complaints that high-income earners were "abusing" the system by living in co-operative housing. As outlined in our preliminary report, this is not necessarily an abuse of the system, as the previous federal co-operative program required that only 15% of residents fall within the "needy" category. In all cases, these people were interviewed by Commission counsel. There was some evidence from people testifying at the hearings that others were afraid to come forward publicly with their complaints.

The level of response to our advertisements suggests that, in general, people do not feel the B.C. social housing delivery system is being abused. The virtual lack of complaints about provincial and municipally-owned and managed housing facilities, as well as those owned and operated by private non-profit organizations, suggests to us that these organizations are generally doing a good job in satisfying the needs of those they serve.

Testimony from the hearings is summarized under five headings:

1. Inadequate legislative structure

It is our view that the bulk of the concerns raised at the formal hearings stem from an inadequate legislative structure within which the formation, management and dissolution of housing co-operatives can operate. Housing co-operatives are incorporated under the Co-operative Association Act of British Columbia, which was last revised in 1959, long before the popularization of housing co-operatives. The Act is concerned primarily with producer and consumer co-operatives. Further, the share purchase requirements under housing co-operatives are usually substantially larger than in other kinds of co-operatives, making it more difficult for people to "walk away" from this financial commitment.

The evidence of co-operative residents who appeared at the hearings concerned matters which are either not included in the existing legislation or, if included, require revision or clarification. The problems and potential legislative solutions included:

- Non-profit status -- housing co-operatives receiving public funding should be owned and operated on a strictly not-for-profit basis.
- Proxy voting -- each household should have one vote, not more. Proxy voting should be permitted when the "member" of the co-operative from a household is absent.
- Associate memberships -- this would provide associates of members some rights.
- Clarification of voting rights. Which matters must be voted on by residents? Which may be decided upon by co-op directors?
- Conflict of interest provisions regarding co-op directors and paid staff are absent.
- Audit requirements -- the existing audit requirements under the Act do not reflect current generally accepted auditing standards in Canada and these standards are not being followed by many auditors of co-operatives. See also the letter to the Commission on this point from the Institute of Chartered Accountants of British Columbia in Appendix S.
- Paid up share capital requirements for members -- the requirement to pay in co-op shares is not equitably enforced.

- Access to records -- there is some evidence that co-op members are being denied access to financial records of the co-operative.

- Dissolution and sale of assets of co-operative -- clear statutory restrictions should be placed upon the dissolution or sale of assets of a co-operative which is publicly funded.

- Use of leased land from private landlords -- publicly funded co-operatives should not be permitted to lease land from private landlords if the life of the co-operative is thereby severely curtailed.

- Expulsion of members/residents -- the system for expelling residents living in housing co-operatives is one of the areas which caused the greatest concern among co-op residents testifying before the Commission. The current system requires that the activities of a resident up for expulsion be brought before the members of the co-operative, who then vote on the expulsion issue.

- Membership -- should be restricted to current residents.

- Dispute resolution mechanism -- the dispute resolution mechanism existing in the Act is inappropriate for housing co-operatives and is therefore not used. An inexpensive and more accessible dispute resolution mechanism must be created. CMHC avoids playing any role in dispute resolution and the Co-operative Housing Federation will not become involved unless invited to by both parties to the dispute. This has left the office of the Superintendent of Co-operatives with the considerable burden of attempting to resolve the most serious of these disputes.

- Minority rights -- there is currently no mechanism for minorities, who feel they are being oppressed or unfairly treated by the majority of the co-operative residents, to ensure that their views are presented and that they are fairly treated.

- Degree of member participation in major decisions -- many of the co-operative residents who appeared before the Commission expressed frustration at their inability to participate in major decisions affecting their co-operative.

- Membership admission policy and procedure -- there is currently no standard policy or procedure regarding admission of applicants to a housing co-operative, leaving room for at least the perception of "favouritism" by those making the decisions. This is especially true when waiting lists exist.

Other concerns expressed at the hearings included the need for an annual inspection by the Superintendent of Co-operatives' office of each housing co-operative receiving public funding; the licensing and supervision of management companies and resource groups providing advice to housing co-operative; and the need for enforcement powers and sanctions for breach of legislation.

Some of these concerns are now being addressed informally by the Superintendent of Co-operatives, by requiring that certain provisions be in the memorandum of a co-operative upon its incorporation. However, in our view, many of these should appropriately be incorporated into legislation dealing with housing co-ops in general and, in particular, with those receiving public funding.

2. Insufficient education of co-op members

We heard evidence that many co-operative members are unaware of the role of the Superintendent of Co-operatives. In addition, some testifying before the Commission indicated a lack of understanding of the participation philosophy and the substantial management and operational responsibilities of co-operative members. This was reflected on more than one occasion by the misconception that the housing charges in co-operatives would never be increased.

3. Inability to manage effectively

Residents of each co-operative testifying before the Commission, indicated there was insufficient knowledge, ability and experience to manage effectively the real estate and business affairs of the co-operative. This lack of management expertise can lead to both interpersonal and financial difficulties within the co-operative. These areas may improve as the co-operative residents gain more experience. Co-operative residents serving in management positions should seek to increase their experience through courses offered by various groups. There is, however, no requirement that they do so. Our own investigation indicates that provincial records on co-ops are often incomplete or out of date, which indicates there are management problems.

4. CMHC involvement

CMHC takes little or no responsibility for the operation or management of the co-operatives which it funds. It is concerned only with the funding elements associated with the formation and construction of the co-operative. There appears to be reluctance on the part of CMHC to provide assistance with management or education functions, even when it appears that use of the co-operative program may be an inappropriate vehicle. Contractual obligations of a co-operative to CMHC are not always monitored.

5. Inadequate supervision during design and construction phases

There appears to be a question about the obligation of CMHC or resource groups to ensure or provide professional supervision during the design and construction phase on behalf of project sponsors or in support of the public's interest. If this is not done it can lead to financial difficulties arising in the future as, for example, when funds are required for repairs to the building as it ages.

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Having summarized the technical and testimonial evidence of weaknesses in the system, we can now turn to a consideration of how these weaknesses can be overcome.

PART III

TOWARD AN IMPROVED SYSTEM

X

SO WHAT IS CAUSING THE PROBLEMS?

Chapter Highlights

Our inquiry has found that the major weakness in the social housing system is the lack of an effective system for planning, allocating and delivering social housing. In large part, this stems from a lack of coordination among:

- The federal government.
- Provincial ministries.
- Municipal governments.
- User groups.
- Private sector and non-profit interest groups.

We identify steps that should be taken to improve coordination, including:

- A better definition and inventory of social housing need.
- Regular consultation of government and users.
- Development of common objectives and a framework for action.
- Balancing supply- and demand-side programs.

A number of different vehicles could be used to implement the steps listed above. On balance, we recommend establishment of a Social Housing Committee, responsible to a committee of Cabinet ministers and chaired by a senior administrator with deputy minister status.

We conclude by outlining criteria for assessing improvements in the system's effectiveness in serving the core needy:

- Does it distinguish those in core need from those who are not?
- Does it identify **all** provincial households in core need?
- Does it give assistance in accord with the severity of need?

A. THERE IS A LACK OF EFFECTIVE COORDINATION AMONG PROVINCIAL MINISTRIES

Seen from a systems perspective, the social housing sector is composed of four main government functions. These are:

- **Construction (supply)**

  Various programs, mostly under the National Housing Act, to support additions to the stock of non-market housing. These are negotiated with the federal government by the Ministry of Lands, Parks and Housing and managed by BCHMC.

- **Shelter allowances (demand)**

  Programs, to pay all or part of the tenant's/resident's cost of renting or owning shelter, including private market accommodation. These are operated by the Ministry of Human Resources and BCHMC.

- **Regulation**

  The regulation of the terms of ownership, land assembly, shelter location, landlord-tenant relations, access to services, construction standards and management. Consumer and Corporate Affairs, Municipal Affairs and hundreds of municipal governments are involved here.

- **Services**

  Services which enable the disabled and the elderly in particular, to remain in their own homes rather than in institutions. Housing design considerations and social services such as home care and occupational therapy are main examples. Without these services and design concessions, movement into an institution is probable. The Ministries of Health and Human Resources are responsible here.

Evidence presented to the Commission touched on all of these.

Non-profit sector leaders were generally most concerned with the first and, to a lesser degree, the second function.

Private sector representatives were virtually the only ones concerned with the third function.

Representatives of the disabled, elderly and women's groups expressed most of the concern about the fourth function.

We have observed inefficiencies in all four areas which reduce provincial effectiveness in meeting core need.

Our first major conclusion, drawn from the very substantial body of evidence presented to us, is that serious weaknesses exist at the system or macro-level in planning for the delivery of social housing. Until these system-level weaknesses are eased, serious improvement at the individual program level will be of lesser value. For it is at the system level that opportunities exist to set fundamental priorities, allocate resources accordingly, establish clear and consistent program performance standards, mesh the operations of diverse programs and monitor and compare actual impacts on the needy to overall intended effects.

By "system" we mean mechanisms for planning, funding and coordinating housing programs and the related support services and regulatory practices such as zoning. It is also at the "system" level that overall policy objectives are set for the individual ministries.

All four functions must operate together in a consistent and mutually reinforcing way, if those in need are to benefit from social housing expenditures in direct proportion to their changing degree of need. This problem of lack of coordination was reflected, in one way or another, in many of the submissions we received. One of the more eloquent came from a person at Simon Fraser University who also served as a facilitator at our social housing conference and drafted a report on social housing needs on the north shore of Vancouver. He comments, based on personal experience in trying to bring together housing and support services for the elderly, that:

> "... it always seems very difficult to get the separate but related governmental functions -- housing supply-and-management and core services -- to plan and work together. Appeals to coordinate their work on grounds of common sense and common purpose don't seem to be effective in the face of their separate budget problems. So first the problem needs to be stressed and, if necessary, special solutions found: a permanent inter-departmental planning committee reporting to the ministers? A separate Home Care Service for the B.C. Housing Management Commission? Shared offices in the field?"

Service delivery is spread across three levels of government. This has advantages in that each level has a distinct contribution to make to the task. But these can only be fully realized if the actors are coordinated. The provincial Auditor General addressed this problem in her report on the comprehensive audit of the Ministry of Lands, Parks and Housing issued last April:

We found that the Ministry delivers its portion of the government's overall social housing within a framework which does not provide for significant coordination with those parts of the program delivered by other ministries. Nor does the framework encourage the attainment of the government's overall program goals.

Theoretically, the province has the lead in coordinating inter-government relations. The new federal-provincial Global Agreement calls for the expansion of the provincial lead role. As a counterpart to this, the government also needs to take greater steps to support internal coordination. At present, no provincial agency has either the clear legal mandate or the resources to marshall effectively all provincial social housing resources in support of any single policy objective. The results, not surprisingly, are gaps, overlaps and inconsistencies in programming. We present four illustrations of this general problem.

1. Statutory authority is fragmented

The Commission's counsel identified 17 separate provincial statutes affecting social housing delivery. They are:

EXHIBIT X-1 Provincial legislation affecting social housing

Agricultural and Rural Development (B.C.) Act, 1979
Community Care Facility Act, 1979
Co-operative Association Act, 1979
Guaranteed Available Income for Need Act, 1979
Home Conversion and Leasehold Loan Act, 1979
Home Owner Grant Act, 1980
Home Purchase Assistance Act, 1979
Homeowner Interest Assistance Act, 1982
Housing and Employment Development Financing Act, 1982
Housing Construction (Elderly Citizens) Act, 1979
Human Resource Facility Act, 1979
Ministry of Lands, Parks and Housing Act, 1979
Municipal Aid Act, 1979
Recreational Facility Act, 1979
Residential Tenancy Act, 1984
Shelter Aid for Elderly Renters Act, 1979
Society Act, 1979

There is neither a "social housing act" nor a lead agency with the power to coordinate or integrate the actions of the seven or more ministries which enforce these 17 statutes.

In particular, there is no provincial agency responsible for overall planning and initiative on behalf of those most in need of social housing. Rather, what we found was a series of separate programs, each with its own rules, interests, perspectives and clients. Given this, it is not surprising that the act governing housing co-operatives should be so badly out of date.

2. Interest and lobby groups are often isolated

There are dozens of private interest groups, pressure groups and housing projects representing a wide variety of interests and perspectives. These include a large and diverse set of agencies, with distinct viewpoints. A listing of some of these makes this point.

- Affordable Housing Advisory
- British Columbia Buildings Corporation
- British Columbia Coalition of the Disabled
- British Columbia Housing Foundation
- British Columbia Real Estate Association
- Building Independent Living for the Disabled
- Building Owners and Managers Association
- Canadian Homebuilders Association
- Columbia Housing Advisory Association
- Co-operative Housing Federation of B.C.
- Downtown Eastside Residents Association
- Inner City Housing Society
- Red Door Rental Aid Society
- Rental Housing Council of British Columbia
- the School of Community and Regional Planning, UBC

- **Tenants' Rights Coalition**

- **Urban Development Institute**

- **Vancouver and District Public Housing Tenants Association**

Each of these agencies has a role to play in meeting social housing needs. But there is no forum or mechanism for sorting out their roles and identifying more productive forms of interaction. We were struck by the extent to which many of these organizations tend to operate in isolation from each other. Typically, they are dealing only with a specific constituency, pursuing a relatively limited number of objectives and using a narrow range of social housing options. Indeed, many groups have only one preferred form of social housing action. Some also have a disregard for those using other methods in pursuit of their objectives. These tendencies are reinforced by lack of productive contact with those having differing perspectives.

Some of this is both healthy and inevitable. But we feel that the solitudes and factions could be regularly brought together to the benefit of themselves and the needy. Unfortunately, no agency has the responsibility to do this. As this Commission had its own difficulties in getting the ends of the ideological spectrum to meet, we do not underestimate the difficulty; or the potential for heated exchanges. But we find contact, discussion and the opportunity for the more even-tempered to cooperate, preferable to the continuation of the siege mentality now dominant in some quarters. There are women and men of ability and goodwill in all camps. What they need is a chance to regularly come together and find their own common ground.

3. A large number of illegal units are in use

The Commission received an estimate for a senior official of the City of Vancouver that there are 18,000-20,000 "illegal" suites in that City. An official of BCHMC estimated there are 30,000-40,000 units for the province as a whole. These are basement units, rooms set aside without a kitchen, bath or separate entrance, and other situations which do not meet the basic standards for dwelling places. In such units by definition, the minimum legal specifications for residential housing are not being enforced. A substantial proportion of the residents of these units are almost certainly those most in need. This statistic illustrates that weak enforcement of municipal housing standards is of very real magnitude, in turn affecting the extent of social housing need. While it is a major problem in Vancouver, it exists to some degree in other communities as well. Data, by definition, are hard to come by.

In many instances, there are individuals who lack legal status as tenants, living in apartments which have no legal status as separate dwelling places.

On the other hand, wholesale and rigid by-law enforcement could lead to forcing many people out of suitable accommodation. Certainly, some serious analysis of the problem is necessary, so that conclusions can be reached as to the extent of social housing need in the province. This will require both better data and a clearer assignment of responsibilities for the coordination of government action.

4. No tenant rights for some needy

A substantial proportion of those most in need of social housing are likely to live in single room occupancy arrangements in residential "hotels" and rooming houses. As press reports indicate, a number of these people have lived in such "hotels" for decades. Yet under the 1984 Residential Tenancy Act, they do not have clear status as tenants; and no recourse to the protection of this law. This problem was drawn to the Commission's attention by a brief from the Tenants' Rights Coalition/Tenants' Rights Action Centre.

Their analysis that residents living in residential hotels have no status as tenants was also confirmed by the Commission's legal counsel.

B. WHAT NEEDS TO BE DONE?

The four problems listed above illustrate the absence of any agency with overall responsibility for social housing in the province.

In our opinion, the nature of the solution is simple, though achieving the solutions is far from easy. The British Columbia government should create the capacity to carry out, in a systematic and regular fashion, these functions:

- The regular definition and inventory of social housing need, by family type and region, using standard bench marks for need.
- Regular consultation with all those agencies and individuals involved in social housing, including users.
- Development of basic common objectives and a framework of action for the social housing sector; for all governments and for those private and community agencies willing to cooperate.
- The priorization of social housing need, from both annual operational and strategic perspectives covering at least three years. These should relate core need to more general housing policy.
- Making decisions about the degree of balance between supply and demand-side actions on the basis of good current need data, market

conditions, resources available, the cost of on-going commitments, and anticipated benefits.

- The allocation of public dollars to specific government and private programs in accord with both the needs inventory and priorization.
- The regular evaluation of all social housing programs, using appropriate standards.
- The systematic assembly and public dissemination of data on needs, the costs of various forms of social housing and their impacts.
- The regular review and coordination of social housing program rules and operating procedures to ensure consistency, administrative simplicity, ease of public access and the generation of standard data.
- The harmonization and, where feasible, the administrative integration of program operations at the field level.

By the regular achievement of these activities, the social housing sector can identify and react to social housing need in a more rational and orderly fashion.

C. CREATE A SOCIAL HOUSING COMMITTEE AND MANAGEMENT PROCESS

There are a variety of potentially useful methods to coordinate and direct government social housing activity. These include:

- Creation of a housing "super ministry," on the Ontario model.
- A lead minister or agency, using an existing ministry, BCHMC or a new body.
- An interministerial coordinating body, at the deputy minister or program officer levels.
- Designating a central agency, such as Treasury Board or a Cabinet Committee, to coordinate planning and funding.
- Establish, by negotiation, a procedural protocol which would lay out a series of common steps to be taken by each agency with a role to play.

The most general housing authority in the province is the Ministry of Lands, Parks and Housing Act. Under this, the minister has the power "... to undertake programs relating to the provision of housing in the province." Lands, Parks and Housing can exercise, through the Lieutenant Governor in Council, authority over the BCHMC. It is also responsible for dealing with CMHC. So it has, or can have, adequate control over public housing supply. The other pieces to be coordinated are the demand, service and regulatory functions. The basic choices are to a) leave these functions where they are and coordinate their management or b) effect some degree of centralization and integration of delivery.

If the problem was only one of coordinating existing practices, a committee of officials would be sufficient. But to create the necessary level of integration, policy and resource allocation issues must first be resolved. There is a substantial need to surrender limited program interests to a broader frame of reference. Some degree of central direction and accountability is required; at least for the initial stages of development. To make this happen, we recommend establishment of a Social Housing Committee of senior officials, responsible to a Cabinet sub-committee of ministers chaired by the Minister of Lands, Parks and Housing. The chairperson of the Social Housing Committee (SHC) should have deputy minister status. The Committee's first main duty should be creation of the management system described in the next chapter (XI).

To minimize costs and disruptions, we recommend using the existing interministerial committee on social housing as the basis for the new structure. This is currently a committee of senior officials at the deputy minister level. Policy guidance should come from Cabinet as a whole to a social housing sub-committee of Cabinet; and then to the SHC. The same ministries should be represented on both the ministerial and officials committees. These should include Lands, Parks and Housing (Chair) the Ministry of Human Resources (vice-chair and secretary), BCHMC, Health, Municipal Affairs, Consumer and Corporate Affairs and Finance. The mandate of the existing committee should be expanded and formalized with documented terms of reference. In particular, this committee should have control over the social housing budget envelope. It should allocate funds to the various social housing funds from this envelope, following priorities established by Cabinet.

The existing Deputy Minister's Committee on employment and training may be a model for the kind of interministerial coordination we recommend.

The Social Housing Committee of senior officials should have the responsibility to oversee, through staff responsible to the member ministries, the social housing management process described in Chapter XI. Without this framework, the Committee would only handle incremental actions in an ad hoc manner. Its responsibility is to see to it that the management process is created and each of the prescribed steps then takes place in a well-coordinated manner. It should be specifically responsible for the key tasks to be carried out: defining core need, making a periodic inventory of need through an individual application process, allocating dollars in accord with these data and evaluating the results. By employing the principles of matrix management, it can harmonize the activities of various line ministries.

D. CRITERIA FOR IMPROVEMENT

There are obviously many ways in which the social housing system can be improved. But we were charged with a primary focus on only one of these: strengthening the effectiveness of the system in serving the core needy with affordable housing. As noted in the introduction, we have chosen to interpret this to mean: can the available funds be used to more fully satisfy core need affordability in the province?

To do this there are three critical and immediate objectives we would set for the Social Housing Committee:

1. Distinguishing between those who do and do not have core need

It must be able to distinguish those who are from those who are not in core need. Making such distinctions are frequently distasteful; but they are unavoidable if scarce resources are to be used in the more productive manner. This can be seen as a form of vertical equity or fairness. This can also be seen as a measure of system effectiveness.

The test of how well this objective is being achieved is the changing percentage of social housing recipients who are not in the core need category. The system currently makes no regular "reading" on this statistic. If it did, neither the 1981 inquiry by the City of Vancouver nor this one would have been necessary. We will come back to this issue when discussing our proposed evaluation system. The SHC should undertake to create a comprehensive social housing data base.

2. A comprehensive inventory of the needy

How well does the system contribute to the identification of all those households in core need in the province? Without a reasonably complete identification of all those with core need, no priorization by the Social Housing Committee is possible. Any sound system should also be open to claims of social housing need regardless of region of residence or household age, sex, family type or ethnicity. This is a measure of the system's comprehensiveness. The test of success here is whether the proportion of the population found to have a social housing need is in accord with data on the general performance of the economy, incomes, the housing market, demographic data and common sense.

3. Determining the degree of core housing need

For those households which are in the core need category, how well can the Social Housing Committee allocate social housing resources, in proportion to the extent of social housing need? In other words, having found those in social housing need, can the Committee then tailor the extent of the resources — housing stock or dollars made available to each household type -- in accord with their **current** level of need? This criterion is based on the recognition that at any one moment all the households in core need do not require the same level of resources; and that over time the social housing needs of any given household can change. These needs may grow greater, decline or vanish altogether, as family circumstances change. These changes in individual household needs should be reflected in the **regional** allocation of housing resources.

The tests of this are the percentages of those in receipt of social housing benefits who have their housing needs **fully** — as opposed to partially -- met by some standard measure; and the percentage receiving **more** than they require to have their needs met. A more effective allocation of resources among the needy in proportion to current need should show up as an increase in the proportion of recipients who are thereby removed from core need; and a decline in the number of households not in need that are receiving benefits.

This can be seen as a measure of equity. In short, the system should not be providing beneficiaries with either greater or lesser resources than required to satisfy their actual need. Avoiding this form of "wasted" resources should make more resources available to meet core need, thereby contributing to a further decline over time in core need.

So we see the creation of an overall system for managing the entire provincial social housing function, in accord with the three criteria given above, as the chief step for improving the govermment's ability to more effectively and efficiently assist the core needy.

Before we move on to describe this system in more detail, we must make one other point.

We were not asked by the government to comment on the extent of its financial commitment to meeting core need; nor have we done so. What we have done is to recommend a system which can do a better job of meeting core need with **whatever** funds the government feels it can make available. The adequacy of any given level of funding is beyond our mandate.

It should also be recognized, however, that the system we outline below would devote more resources to calculating core need; and would more thoroughly document just how much of core housing need is actually being satisfied. Inevitably these data, if made public, will be used in the public debate about the adequacy of provincial and federal funding.

XI

A SYSTEM FOR MANAGING THE SOCIAL HOUSING SECTOR

Chapter Highlights

We propose an enhanced method of determining social housing need and allocating resources. These are macro-level planning activities, which occur above the level of program operations. At this level, coordination occurs between provincial government departments; with the federal government and private agencies. Objectives are set and resources are allocated.

What we provide in this chapter is a set of directions for future action. This is not a fully developed new delivery system. Given the time available, we could not hope to describe the ideal system in detail; nor should we. This is properly the government's work.

We are not prescribing means by which each individual program will decide who should benefit from its efforts. But we do recommend strongly that steps be taken to bring the operation of individual programs into line with this overall system. Deciding how this can be done in practice is best left to ministers and officials.

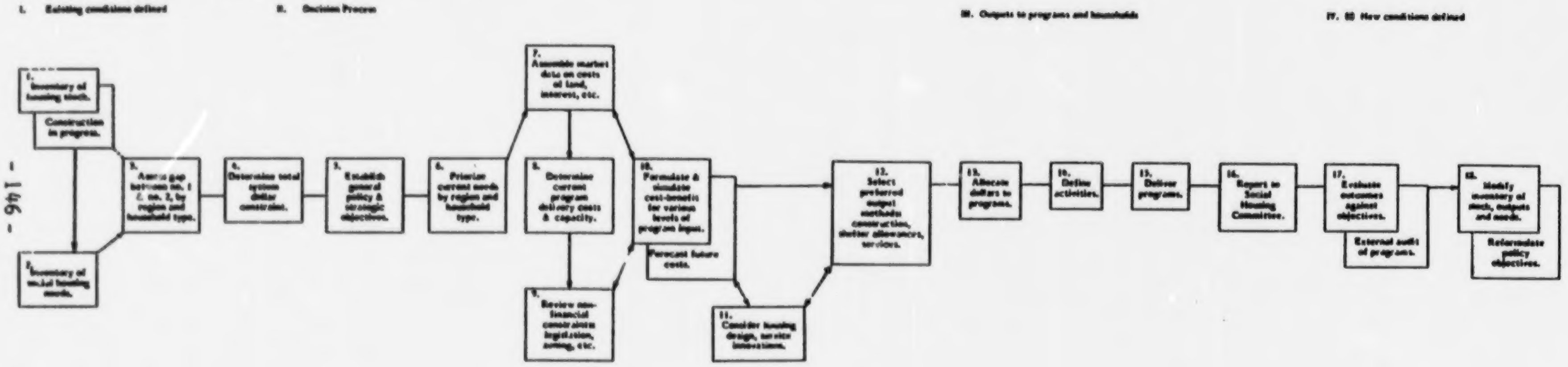
The proposed system is a means for specifying who is in core need, and by how much; and for supplying provincial resources to particular programs, in accord with the level and type of need.

Our objective here is to illustrate, by a general description of the system, what management capacity should be created.

A. AN OVERVIEW OF A PROPOSED SOCIAL HOUSING MANAGEMENT SYSTEM

The system has 18 steps in four phases. Exhibit XI-1 lays out this system in flow-chart format.

EXHIBIT XI-1 Recommended process for the management of Social Housing (overview)


I. Existing conditions defined
II. Decision Process
III. Outputs to programs and households
IV. III New conditions defined
1. Inventory of housing stock.
Construction in progress.
2. Inventory of social housing needs.
3. Assess gap between no. 1 & no. 2, by region and household type.
4. Determine total system dollar constraint.
5. Establish general policy & strategic objectives.
6. Prioritize current needs by region and household type.
7. Assemble market data on costs of land, interest, etc.
8. Determine current program delivery costs & capacity.
9. Review non-financial constraints legislation, zoning, etc.
10. Formulate & simulate cost-benefit for various levels of program input.
Forecast future costs.
11. Consider housing design, service innovations.
12. Select preferred output methods: construction, shelter allowances, services.
13. Allocate dollars to programs.
14. Define activities.
15. Deliver programs.
16. Report to Social Housing Committee.
17. Evaluate outcomes against objectives.
External audit of programs.
18. Modify inventory of stock, outputs and needs.
Reformulate policy objectives.

1. Phase One: Determining current conditions

This specification of existing conditions is done in three distinct steps.

a) Step 1. The first one, and the necessary precondition for all that follows is the inventory of market and non-market housing stock, by type and region; with special attention paid to regional variations in availability, cost and quality. This step must also map the rate at which construction and renovations in progress will also make more stock available. CMHC does this now; and the present methods may be satisfactory for this process. If not, the weakness may be found to lie in the availability of data for smaller communities.

b) Step 2: An inventory of social housing needs, by household type, and region. It is essential to have a clear, well-documented and up-to-date description of actual need, using explicit and well defined standards in order to:

- Track the impact over time of various programs.
- Be sensitive to changing needs.
- Have an agreed list of needy households for use in resource allocation and the planning and provision of service delivery.
- To be able to do regional and provincial consultations, with some standard data on need.

Obviously, arguments about the degree to which need is being met, either by any given program or by the social housing sector as a whole, can never be resolved without some standard definition and inventory of need.

The starting point for the inventory is a definition of what need is, in terms which allow it to be measured with reasonable precision. The prevailing means of calculating need, which are summarized in Chapter V, have characteristics which make measurement difficult; or which, to some extent, measure the wrong things.

The enabling action for Step 2 is establishment for the entire social housing system, of a standard concept for defining social housing need, which should be used by all provincially administered and funded programs.

As will be seen below, we recommend using an income definition of need, focusing on the amount of income left over **after** housing needs are met. This should include a standard means of defining income and a uniform method of treating liquid and fixed assets. At the moment, there is no such uniformity in the system.

With this in hand, the question becomes how to actually carry out the measurement of need, as contained in this standard definition. In brief, we recommend establishment of a province-wide registry of social housing need to do this, through offices located throughout the province.

c) Step 3. The intent here is to match the housing inventory with present needs and identify the gaps between the supply of dwellings and the needs of households. This assessment should focus on the needs of specific household types, including units of various sizes, age mixes, degrees of disability, potential for independence, and need for special design features and support services. This should be done on a regional basis, to produce a reading on the existing need for social housing. This should be an initial "scan" for purpose of scoping the size of the problem, by each region. This constitutes the baseline against which all subsequent actions take place. This ends phase 1.

2. Phase Two: The decision making phase

This phase has nine steps, intended to produce a set of coordinated decisions about what to do in response to the definition of existing circumstances undertaken in phase 1.

a) Step 4: Setting the dollar constraint. Phase 1 is devoted to taking a reading on the size of social housing need. Step 4 is intended to put the process into some kind of balance with the available resources. This step assumes there should be a total dollar amount available for all those programs included in the social housing sector, which are funded by the province. There will be competition for dollars among all these programs. Unless this "envelope" approach is used, the province has no way of allocating dollars across the various housing uses in accord with overall priorities and relative need.

This step requires designating all the social housing programs seen as serving essentially the same clientele; and whose budgets should be drawn from a common pool. Then the Treasury Board, in the normal course of annual budget making, sets an outside dollar constraint. This can be done in various ways. A common one is to set a base figure derived from the previous year's actual expenditures, minus any program terminations or reductions indicated by financial policy or program evaluations.

Then an amount reflecting an allowance for inflation and a growth factor, if any, reflecting the overall priority of this sector as against other immediately related ones such as non-social housing, health and social services, should be set. In sum, no program in this sector should enjoy additional funding from **outside** of the social housing envelope.

The size of the total amount available should be made known to program officials.

b) Step 5: Establishing policy and strategic objectives. With the needs inventory in hand and tempered by a total dollar limitation, it is now time to consider the sector's overall strategic and policy objectives. Strategic objectives have to do with the general relationships between social housing and other major sectors, such as the provincial economy, considerations about urban/rural settlement patterns, and transportation needs. These "environmental" issues should be designated and examined over a time horizon of at least three years. Within this, general housing and social housing policy objectives should be reviewed and revised as necessary. General aims like the relative improvement of housing for large families, the importance of transition services, encouragement of special housing built by service clubs, and the pace of implementation of the new federal-provincial Operating Agreement plan should be identified and related to the strategic concerns.

This is also a valid point in the process for extensive and formal consultations with community, user and interest groups. It would be extremely useful to have an accurate reading on the currents of thinking among the various segments of the social housing community **before** general policy intent was struck. This can be institutionalized in forums such as a social housing advisory council and an annual social housing conference.

c) Step 6: Priorize current needs, by household type and region. In this step, the full list of competing social housing priorities is drawn up. Using the needs inventory details, the dollar constraint and the general strategic/policy objectives, a specific rank-ordering of priorities for the upcoming budget year is struck. This should be divided among priorities seen as absolutely essential, those that become desirable if funds can be found, and those which should **not** be acted upon in the reference year.

These priorities can be expressed both as the type and number of target beneficiaries and as specific program actions for these beneficiaries, by region. For example, first priority could go to increasing shelter allowance support for the physically disabled in Vancouver; with second priority going to building government-owned housing units for single parents with larger families in Victoria.

d) Step 7: Assembling market data. For the items given the highest priority, this step involves assembling or, if necessary, generating data on the relevant external conditions: costs of current housing, land and interest costs, implication of new technology, demographic shifts, forecasts of regional economic performance affecting local housing demand. These are the market/economy variables that will influence just how far any given allocation of dollars will go in purchasing units of service or housing.

e) Step 8: Determine current program capacity. Just as it is necessary to read the external environment in Step 7, it is also necessary to read the internal or program capacity environment in Step 8. The cost of specific program actions is affected by the efficiency and capacity for service delivery of existing program machinery. Optimal allocation decisions require some sense of both costs to make any necessary enhancements in service and details on the extent of barriers to the achievement of policy objectives stemming from program weaknesses. For instance, let us say the government has decided to create a social housing needs inventory, using existing Ministry of Human Resources (MHR) field offices. But let us also suppose that, while this decision was being taken in one place, a decision was taken in another place to close six local MHR offices, thus, reducing the capacity to collect registry data in six key regions. Unless these actions are taken into account, delivery costs will be underestimated and program performance capacity overestimated.

f) Step 9: A review of non-financial constraints. Here we mean a review of such factors as legislative authority, zoning by-laws and public attitudes that can constrain actions of particular kinds. Pending program and legislation changes must also be taken into account.

In steps 7, 8 and 9, the main purpose is to get a good grip on barriers and costs, and to test the feasibility of actions against these. There is no merit in appropriating dollars for objectives that cannot be achieved because of factors in the environment which have been ignored.

g) Step 10: Formulate and simulate the cost/benefit of program options to achieve priorities. Steps 7-9 tempered the goals set in Step 6 by testing them against reality. The time is now appropriate to match the servicing policy objectives to specific program steps as recommended by their managers. That is, all managers of social housing programs should be given the set of priorities from Step 6 and asked to indicate how they would go about contributing to the achievement of these.

Then the specific program steps put forth should be tested by using standard cost/benefit techniques. As well, the future costs of using different methods to achieve the mix of objectives should be estimated, using a simple computerized forecasting model. The results of these should be documented.

h) Step 11: Consider design and service innovations. As a test of the adequacy of current programs, this is a convenient point to consider introduction of innovative forms of delivery. The use of new building methods, financing schemes, better management systems or imaginative forms of shared use of existing stock are examples of what is meant. The social housing field produces a steady stream of ideas said to offer a great breakthrough in solving some significant housing problems. Much of this is illusory; but there may be good ideas buried in their midst that are worth a look.

This may also be a good theme for another round of public consultations.

i) Step 12: Select preferred output modes. At this point, the time has come to select the annual mix of program steps best suited to achieve the desired goals. This can be done by comparing the outputs of dozens of different uses of the same maximum set of dollars, run against the same set of policy objectives. Basically, the estimates should be quantified as much as possible; and the most promising mix of build and rent choices selected, in relation to the current environment. To do this, we strongly recommend the development of a computerized linear programming allocation model, using appropriate software which draws upon the data collected in all the previous steps.

Of course, these objective criteria must be balanced against the softer social and political values which are at the heart of any social housing system.

This step brings the decision-making phase to a close.

3. Phase Three: Creating outputs

a) Step 13: Allocate the dollars. At this point, we are ready to assign dollars to specific programs, in accord with the optimal output design. This means giving authority to program managers to expend dollars from the central social housing envelope, according to the findings of optomality.

b) Step 14: Define program activities. With dollar allocations known to them, program managers can now set specific program activity and output objectives, by month, quarter and year. This information should be returned to the Social Housing Committee before authority to actually expend is granted.

c) Step 15: Deliver programs. At this point, the impetus passes to the individual program managers.

d) Step 16: Report to the Social Housing Committee on activities. The Social Housing Committee should receive regular reports on activity in all line ministries; and carefully monitor these on a quarterly basis. Analysis of outputs in comparison to performance objectives should be an on-going activity. Control action can be taken as necessary.

e) Step 17: Evaluate outcomes and support external audits. The Social Housing Committee should plan and oversee an annual program evaluation activity to compare actual outputs and outcomes against established objectives. Data from these should be used in support of external audits. A comprehensive audit should occur on a regular schedule.

4. Phase 4: Defining new conditions of need

a) Step 18. Modify the inventory of stock, program outputs and social housing need based, in part, on the product of Step 17. As well, evaluation and audit data should be used in reformulating strategic and policy objectives.

Results should be published on a regular basis.

At this point, the annual management cycle begins again.

B. FOUR KEY SEGMENTS OF THE SOCIAL HOUSING SYSTEM

Now let us turn to a more detailed discussion of the four key segments of the management process.

- Defining social housing need.
- Counting the needy.
- Allocating dollars on the basis of need.
- Evaluating the performance of the system.

1. A household income definition of core need

As we noted at the end of Chapter IV, there is a need for a single, standard definition of social housing need.

A few years ago, when the City of Vancouver conducted its own study of who was receiving social housing benefits, the resulting report correctly observed:

> "To assess whether units are housing the intended beneficiaries requires a clarification of who are intended recipients and a means of testing whether target groups are being reached."[1]

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[1] Who lives in non-market housing? July 1983, p. II-4.

To deliver an increasing proportion of social housing benefits in a coordinated manner to those most in need requires a more precise and standard definition of just what need is; and the more systematic identification and priorization of the needy. Without such a common definition, integrated resource allocation and planning are very difficult.

To illustrate this point, just before writing this final report, we heard from a handicapped person living in a private apartment building on Vancouver Island. He has lived in the same building for 12 years; during which time his rent has gone from $108 to $262, hardly an unreasonable rate of increase. But his GAIN shelter allowance is pegged at $230, and has been for some time. His rent will go to $274 in the fall, increasing the shortfall between his rental allowance and real cost to $44 a month. This prospect prompted him to investigate a move to a BCHMC unit. The BCHMC market rate for a bachelor apartment is $275. If he were to move in, he expects to be charged 50% of the market rate, or $137.

There are several things to be commented on here. The first is the lack of coordination between the BCHMC market rental rates and GAIN shelter allowances. If $275 is the "norm" market rent, this suggests that a GAIN shelter allowance of $275, not $230, is appropriate. Second, by paying well below going market rates, GAIN is encouraging greater demand for the available BCHMC units by those on GAIN. Third, an equity issue is raised by a person with a handicap having either a monthly household budget deficit of $44 or no deficit at all, depending solely upon place of residence.

This instance illustrates the cost of not recognizing that two programs, so closely tied in their impact on the fortunes of individual households, need a common set of objectives and greater coordination of delivery.

The standard method of determining the presence of social housing need is the CMHC "core need" indicator. In essence, households which must spend more than 30% of their income to obtain adequate shelter, have a need for social housing. This criterion is inadequate as the standard by which to determine the extent of social housing need in a way precise enough to achieve provincial objectives. It cannot be used to integrate the various social housing programs.

- First, it is an on/off switch. A household is either fully in social housing need; or is not in need at all. The gradation of need is not measured.

- Second, it fails to take such factors as family size and age of members into account when determining whether need exists; and if so, the extent of it. But these factors strongly influence the extent of need, and the level of resources required.

- Third, there is a continuing debate over whether the 30% threshold is correct. Some co-op housing in the province, for example, uses a 25% maximum when calculating ability to pay rent. On the other hand, private housing companies feel 35% is reasonable. In mid-1983, provincial operating policies were altered to gradually move from 25% to 30% income to rent rates.

BCHMC also relies on the "conventional wisdom" of a 30% expenditure rent as the threshold above which need for public dollars to support housing costs is said to exist. This 30% can be converted into household income figures, using rental averages. For example, if rent is $100/week, it is divided by 0.3 to arrive at $330/week as the minimum necessary household income. This method fails in several ways:

- If rent goes up, non-rent costs are also assumed to go up proportionally. In fact, they can change independently.

- It assumes all households paying the same rent have the same non-rent costs. This is obviously incorrect.

- It fails to focus on the **adequacy** of the amount of income left **after** rent is paid, when determining need.

For many low-income households, it is income and expenses in real dollars, not in percentages of income allocated which is the more accurate and telling indicator of need; and on which base benefits should be calculated. For example, a household could be spending, say, 28% of income on housing, but this could be 28% of a base income that is so low that the real amount left over for food, etc., would be insufficient.

In practice, many low-income households spend 60% of their income on housing. But the CMHC method makes no policy distinction between such a household and one spending as little as half that amount. Both are equally in core need.

What is required is a system that:

- Uses a low-income benchmark of total household income, adjusted by region, household size, age of children and need for special housing because of disability.

- Can recognize need **either** because of the amount spent on housing; or because of the inadequate number (not proportion) of dollars left over for households' use **after** housing is paid for.

- Measures the changing extent of need in standard units.

In short, housing needs and benefits must be calculated in a way which is more akin to the way in which non-subsidized household economies actually work. Subsidies should be struck to reflect the true cost of both shelter and non-shelter expenditures to an individual household and these must be changed as family size changes. There should also be a provision for extra housing costs because of changing special needs, such as physical disability. Otherwise, the system overpays many and underpays many.

We are aware that, at the operating level, many individual social housing programs have means to take these and other factors into account. But no such methods appear to be in place at the macro-level at which decisions are taken to allocate resources to different social housing programs. Thus, the gross allocation process is uninformed by any even moderately sophisticated calculation of changing levels of needs.

We propose the introduction of a new method of measuring the extent of social housing need. This method should be more appropriate for overall provincial budgeting purposes; for actual assignment of resources to the various regions of the province; for allocation of dollars between construction and shelter allowances; for making of decisions on admissions to social housing; and for the calculation of rents and allowances or subsidies.

We recommend adoption of a standard definition of core housing need expressed as minimum household income, adjusted by size, age of dependents, regional housing costs and special needs requirements. If the available household's actual income is less than the specified minimum, the household is in need of social housing, regardless of whether shelter cost is more or less than 30% of the total income. The further the household income falls below that prescribed level, the greater the extent of need; and the higher the priority which could be attached to that household when allocating resources. Benefits should be paid according to the extent of the shortfall. This data would be aggregated on a regional basis for planning priority purposes.

It should be noted that for many households, social housing is not a permanent requirement. Canadian incomes have a typical pattern, reaching their peak between the ages of 25 and 55; and being lower for the younger and older groups. Changes in personal circumstances such as marriage or divorce, physical injury and recovery, can create or remove the need for social housing. Therefore, any system for measuring the existence and extent of social housing need should be sensitive to changes in individual circumstances. Of course, for the elderly and those with chronic disabilities, need is sometimes life-long.

The consequence of this analysis can be either:

- A move to supplement incomes so households can meet more non-housing costs; or

- A more narrowly focused move to reduce household housing cost and thereby free up dollars for other expenses. Programs to provide housing units at below-market rates, to give dollars to partially or fully meet market housing costs, or combinations of the two, have the same functional effect: increasing household resources available for non-housing costs.

In Chapter IV, we have surveyed several different low-income or "poverty" levels. We do not propose here to indicate the appropriate income levels of after-shelter incomes, which should be the benchmarks for determining a need for social housing. This requires further analysis. But we would expect the levels to fall toward the lower end of the range indicated in Exhibit IV-2. Acceptable minima are likely to be somewhat above current GAIN maximums but below those income cut-off lines used by CMHC or Statistics Canada.

A major argument against such an approach is that by inflating its housing expenditure, a profligate household can become eligible for public support. This, however, can be forestalled by designating the maximum household expenditure by region, family size, and household type, which will be recognized for purposes of calculating eligibility. Any shelter expenditure above this level would be treated as though it were available for non-shelter use; as from this perspective it should be.

In short, what counts is not just the percentage spent on housing, but the **absolute** amount left over for the other basic costs of life. By using this slightly broader concept it becomes possible **both** to preserve the basic notion of social housing need being influenced by the size of expenditure on housing, and to capture the effect of this expenditure on the adequacy of the remaining income; thereby linking both supply and demand programs within a common concept.

Until a common and **quantifiable** definition of social housing need is adopted by **all** the provincial agencies which are part of the social housing system, no collective improvement in efficiency is likely.

2. Counting the needy with a registry

BCHMC does make regular estimates of housing need. These steps were described to us by officials then as follows (see Appendix T):

"a) The 1981 Census is the main data source for estimating housing need because of its comprehensiveness. There is no other source which covers all client groups down to the geographic level required for need estimation. It is also the measure used in other jurisdictions across the country and therefore provides a way of estimating our social housing performance in relation to theirs.

b) However, the 1981 Census does not identify the disabled, so accurate estimates of the size of this group are not available.

c) To update the census and improve estimation of the disabled, a number of approaches are being used:

i) Disability Survey -- a 1983/84 survey gives regional estimates of people requiring mobility aids (primarily wheelchairs) but does not deal with the mentally disabled.

ii) Pension information -- we are obtaining Health and Welfare data on pensions (including those on OAS-GIS), which gives us a current distribution of low income seniors.

iii) GAIN information -- we have requested GAIN client distributions which are a rough surrogate for current family housing need. We have also asked for handicapped pension numbers.

iv) GAIN projections -- Human Resources has a model to predict GAIN caseloads. We will be reviewing this to see if it can be adapted for our purposes.

v) Market information -- we review current rents/vacancy rates to see if existing programs (i.e. SAFER/GAIN) are adequate to cover costs.

vi) Social Housing construction -- we also review units constructed by location and client type to see how and where need is being reduced.

vii) Need surveys/Waiting lists -- we ask non-profit societies requesting funding to survey their communities and we review BCHMC and other social housing waiting lists. Our experience is that both approaches over-estimate the actual number of clients who are eligible for and want to live in social housing. We divide the number of clients indicated by these approaches by 3 or 4 to estimate actual need."

BCHMC officials feel the distribution of need by client group and geography is similar to that of 1981. While this is a reasonable assumption, we are less certain that 1981 data are equally accurate for all regions and all groups in 1986.

The case can also be made that the level of accuracy is sufficient for the level of BCHMC-controlled units available; and that the cost of annual surveys would be excessive for so small a set of programs. But this is less true if one takes a more comprehensive view of the social housing sector, including GAIN and SAFER in it.

Further, we remain uneasy about relevance on a hodge podge of data so shaky that discounting by a factor of three or four goes on to estimate what is thought to be "actual need."

The problem, in part, is the degree of public confidence in figures derived from this methodology. There is considerable merit to a standardized data collection system, especially if the cost is reasonable.

We are also concerned about the gap between some of the data sources used, which are really accurate only at the provincial level, and the needs of planning and allocation systems, which should ideally be aggregations of actual individual household needs. This way, the same data base can be used for both planning and the allocation of housing and income supplementation resources. Such an integrated data base is a main need of a functional system.

To do this we recommend expanding use of the present system which comes closest to the management system criteria described in Chapter X: the GAIN data base. As BCHMC itself notes, GAIN has a system "which is a rough surrogate for current need; and has a predictive capacity as well."

The next step is to give those households with a potential social housing need a reason for taking the initiative to provide the necessary data. The method which strikes us as reasonable is the creation of a provincial housing needs registry, with which anyone seeking any form of social housing assistance must register. The Human Resources Ministry has a network of 150 offices in 17 regions through which social housing registry data can be collected. This would be done using a simple standard form to collect data on household size, age, income and employment and special housing needs, if any. To avoid gaps and overlaps, persons applying for entry directly into particular social housing programs operated by the province would all fill in a basic form. All other provincial, community and municipal agencies active in the social housing field could assist by having these forms in their offices as well. When completed, these data forms would be sent to the nearest MHR office.

Those actually receiving social housing benefits, on an annual basis, would be required to update their form reporting on benefits received and its effect on their level of need. Three things would happen with these data.

The first would be for the Social Housing Committee to have regularly prepared, a profile of met and unmet provincial housing need, by household size, type and region. These data would be used to track changes in core housing need, to evaluate the adequacy of existing housing stock and to evaluate the adequacy of support and assistance payments.

An annual profile would be prepared and used to priorize need regionally, by type, and to allocate funds in accord with these priorities.

Annually, forecasts of need by household type and region could also be made by the Social Housing Committee.

This way, a consolidated data base, using a standard definition of those with social housing need, could be established and maintained, using an existing system. This data base could be used for both resource and administrative purposes. It would replace existing waiting lists, so far as the province was concerned. It would also put an onus on local agencies active on behalf of those in need to encourage the needy to publically document their circumstances via this registry.

It will be argued that the use of MHR and GAIN brings the stigma of "welfare" to social housing. We suggest the creation of a new data collection category called the social housing registry, to distinguish applications for social housing from applications for GAIN.

Data would be drawn from the registry for use in allocating BCHMC-managed units; and for use by the Social Housing Committee when making the annual provincial allocation of dollars across all provincial housing programs.

3. A process to allocate dollars by priority of need

The purpose of this step is to take a set number of dollars and allocate them across the set of competing social housing uses available to the province; in a way which is a) consistent with provincial policy objectives, b) optimal as regards the purchase of the greatest amount of social housing for the least number of dollars, and c) in accord with the annual prioritization of actual social housing needs, as documented by the social housing registry described above. The logic of this allocation model is described in Exhibit XI-2.

To do this, we recommend the use of an linear programming allocation program which can be run on any reasonably powerful computer. The software should be designed to contain data on the cost per unit of output for each social housing program, e.g. units built, units rented, by region and average household type and size. The priorizations of regions and household sizes and types become weights attached to each allocation choice. Then the system should be run, both with and without the designation of politically acceptable minimum allocations for each program type. This will produce a listing of different dollar allocations and expected outputs. Details are given in Appendix U.

Particular attention should be paid to regional, marginal trade-offs. That is, determining the cost and value of, say, a 10% increase in GAIN rates in increasing access to a given percentage of the available rental housing for families in the Okanagan; as against using the same number of dollars to build family apartments in Victoria.

EXHIBIT XI-2 The concept of the allocation model -- basic steps

1. List the provincial policy objectives in terms of constraints or changes in the existing housing stock, program output, costs and degree of need satisfied.

2. Present the priorized set of social housing needs by region and household type given the minimum and maximum extent to which each one need should be met before dollars are made available to the next use.

3. Add data by region, on cost per unit of output by program, household type and region.

4. Add the dollar constraint, in detail, or by the minimum and maximum allocation per program, according to policy preferences.

5. Add weights on the degree of policy preference for each program type.

6. Run the model for various demand, cost and economic performance scenarios.

The most favoured set of allocations should be subject to estimates of future costs, benefits, and need changes and adjusted accordingly.

Models of this type are already in use in the United States, and are of increasing utility.

4. A framework for regular evaluation of the social housing system

a) The need for evaluation. The provincial government has yet to evaluate its social housing policy and programs in a systematic way. This has been hindered by the fragmented nature and conflicting goals of the system. With the creation of an integrated overall system, evaluation becomes more feasible. Such an evaluation is needed to assess the system's effectiveness. The results of such an evaluation would be used to:

- Improve needs definition.
- Modify delivery systems.
- Guide resource allocation.
- Revise social housing policy objectives.

b) Evaluation assessment. Prior to undertaking a social housing evaluation, the province should carry out an evaluation assessment. Evaluation assessment is generally accepted as an important first step in a formal effectiveness evaluation. The evaluation assessment ensures that:

- The programs of interest are "evaluable."
- Key evaluation issues and questions are addressed.
- The evaluation design will answer the concerns of policy-makers, program managers and other interested audiences.
- The information required to support an evaluation is actually obtainable.

Usually, the steps of an evaluation assessment include:

- Development of a program model, showing the intended and unintended casual linkages between the program's activities, effects and objectives.

- Analysis of the program model to determine whether the program design is likely to bring about the intended effects.
- Determination of whether the program is operating as planned and in a stable fashion.
- Elimination of "rhetorical" objectives and specification of real objectives in concrete and measurable terms.
- Identification of key evaluation issues and questions.
- Exploration of the feasibility of conducting an evaluation, with particular emphasis on data availability.
- Development of an evaluation design.

In the course of an evaluation assessment, it may become apparent that a program is not evaluable.

Decisions about evaluability are based on the following factors:

- Clarity of objectives. If objectives are not clearly stated and objective attainment cannot be measured, a program is not evaluable.
- Plausibility of program design. If the program logic contains design flaws, the program is not evaluable.
- Stability of operation. If the program is not operating as planned or if design of the program has been changed repeatedly, the program is not evaluable.

In addition, a program as a whole may be evaluable but it may not be possible to evaluate all identified issues and questions. This might happen if:

- It is not possible to isolate the program's effect from the effects of other influences.
- The necessary data cannot be obtained.

A well-done evaluation assessment can go a long way towards making sure that evaluation results are helpful for decision-makers.

c) A framework for future evaluation.

i) **Rationale for social housing.** Before one can hope to measure the effectiveness of social housing programs, whether current or future, it is necessary to develop a framework within which to analyze program effectiveness.

The varied preferences and needs of the majority of British Columbians for housing are met most efficiently by the interplay of buyers and sellers in the private housing market. The need for social housing arises because of inefficiencies in the working of this market, and because of low incomes.

First, the housing market is characterized by relative inflexibility on the part of producers because of the long time needed to bring new dwelling units to the market. This suggests intervention to resolve inflexibility in response to changing needs and lack of ability to respond to emergencies. Second, the specific needs of such groups as the elderly and the disabled for housing of particular design and location which must be coordinated with other social services (the "care component of housing"), will generally need to be met on a non-market basis. Third, unsuitable housing conditions may impose external costs on society in such areas as health, social stability, and law enforcement -- suggesting intervention to reduce such costs. A fourth market weakness may occur if capital markets function imperfectly, suggesting intervention to improve the supply of mortgage credit. These various components of market inefficiency suggest the need for intervention.

Even where suitable housing can be provided by the market, family economic circumstances may be such that they cannot afford to pay the going market price for suitable housing. This is a question of income distribution rather than housing market imperfection, and suggests intervention to provide income supplementation specifically earmarked for housing. Frequently those without adequate means to purchase housing are also those with particular housing needs which the market does not serve well.

There is, therefore, a case for supplementing the operations of the private market for housing by improving its operations, providing services which it does not provide, and redistributing income. We wish to stress that the extent of the need for social housing, and, therefore, the nature of it, depends on how well the private housing market is functioning. This will vary considerably over time and geographically across a large and diverse province like British Columbia. It should also be stressed that the operations of the private market may be impaired by the policies of various levels of government directed at areas other than housing that nevertheless affect housing or housing policies such as zoning which directly affect the price and consumption of housing.

ii) Objectives of an effective system. In reviewing the results of our consultations and the written submissions, and in considering other data, we have developed initial ideas about the basic objectives which an effective social housing system should serve:

- To provide assistance to those in need. This objective requires that scarce resources be explicitly targeted to those in need. Need is, of course, a complex concept, particularly since preferences for types and locations of housing may vary greatly. By using the proposed household income-based definition of need, greater precision in both allocation of resources and the evaluation of program effectiveness becomes possible.

- To promote the development of balanced and integrated communities. This objective relates to the avoidance of "ghettoization," and the development of communities which should contain individuals and families from various income groups, and also individuals and families varied across other dimensions such as age, physical and mental ability, and ethnicity. This objective must, of course, be reconciled with individual and family preferences, and must also be carefully defined in the light of what appears to be a conflict with the first objective defined above.

- To accommodate individual or family preference. This relates to flexibility in the provision of social housing to provide the variety and choice reflecting the wide range of individual and family preferences.

- To provide individuals and families with participation in and therefore control over their housing circumstances. This objective relates to the personal and family development or "self-improvement" which participation and control are likely to promote.

- To provide individuals and families with incentives to economic self-improvement and thus to movement out of beneficiary status back to market housing. This objective relates to the provision of incentives, say, with respect to the rate of rent increases in relation to individual or family income, to improve economic status. It also includes, obviously, the avoidance of corresponding disincentives.

- To provide reasonable stability and therefore security to beneficiaries. This objective relates to the provision of "reasonable" security in whatever form of social housing benefit is enjoyed by individuals and families and, therefore, to the avoidance of instability in social housing policies, and to predictability and security of tenancy related to the circumstances of beneficiaries.

- To provide access to social housing in appropriate locations. This objective is linked to the question of preferences discussed above, but relates more specifically to the needs of beneficiaries for access to services such as transportation, and for services in "familiar" areas.

- To provide social housing which is physically designed to accommodate the particular needs of beneficiaries. This relates specifically to the provision of housing stock addressed to the particular needs of groups of beneficiaries such as the elderly or the disabled.

iii) Reasonable constraints on provision of social housing. There are always constraints on the achievement of objectives, however noble these objectives may be. These social housing objectives may be pursued subject to these general constraints.

- Social housing policies should be provided as efficiently as possible. This principle requires that social housing policies be cost-effective; that is, attain the specified objective or set of objectives at least cost.

- Social housing policies should be designed and implemented so as to minimize unintended effects on the private housing market. Social housing policies are designed to modify market forces to enable beneficiaries to function in the market, but should not otherwise impede or distort market forces. The problem may arise that the system which serves well the housing needs of the majority may be inadvertently damaged by social housing policies. All social housing policies should be subject to careful monitoring and evaluation of positive and negative effects to ensure that their benefits exceed their costs.

- Beneficiaries of social housing policies in equal circumstances should be treated equally. This principle requires that social housing policies be "horizontally equitable." In other words, beneficiaries considered to have the same level of need should receive a similar level of benefits.

iv) Analysis of policy options. Having put forward a set of objectives which suggests the direction of desired change in social housing policy, and having set out the constraints which necessarily affect the attainment of these objectives, we have provided a conceptual framework for the analysis of policy options. The use of this framework as the basis for evaluating the design and implementation of policy options requires that the question of priorities among multiple objectives be addressed; and that performance measures or criteria be associated with each objective.

- Conflict of objectives. The question of priorities occurs where there may be conflict of objectives, say, between targeting and integration. It also occurs more generally in all situations in which there are scarce resources. For instance, the location and design objectives may not be fully attainable in a project which achieves the targeting objective. What is needed is the establishment of targets for the various objective which reflect the inevitability of "give and take" or trade-offs among the objectives.

- Criteria for measurement. The establishment of performance measures or criteria by which the achievement of objectives can be measured is fundamental. A set of objectives without a corresponding set of criteria is simply a wish-list. Exhibit XI-3 contains an illustrative list of criteria which might be used with the set of objectives specified above. In our view, useful measures can be established for each objective as part of a general evaluation system. Particular attention needs to be given to measures of benefit and the distribution of benefit associated with the targeting objective; and to an appropriate measure of the costs associated with each policy option.

EXHIBIT XI-3 Evaluation Matrix

EVALUATION CRITERIA	I. OBJECTIVES										II. CONSTRAINTS				General summary rating/ ranking
	1. To provide assistance to those in need		2. To promote development of balanced communities		3. To accommodate preference	4. To provide participation and control	5. To provide incentives to economic self-improvement	6. To provide stability and security	7. To provide access to housing in appropriate locations	8. To provide housing of appropriate physical design	1. Program cost ($)		2. Effects in private sector	3. Fairness	
POLICY OPTIONS	Vertical target efficiency	Horizontal target efficiency	Mean income	Proportion of disabled	Proportion of beneficiaries obtaining first choice	Participation measures	Extent of movement into higher income ranges	Beneficiary perceptions of stability and security	Proportion of desirable access met by location	Proportion of desirable features met by design	Direct total outlay	Unit cost	Increased vacancy rates attributable to program	Beneficiary perceptions of equal treatment of equals	
I. DEMAND SIDE															
(i) Housing allowances															
(ii) General income supplementation															
(iii) Rental subsidies															
II. SUPPLY SIDE															
(i) Subsidies to construction and maintenance															
(a) Land price															
(b) Capital cost															
(c) Operating costs															
(d) Mortgage rates															
(ii) Policies to increase private sector efficiency															
(a) Improved technological information															
(b) Code standardization															
(c) Coordination of scheduling of public capital spending projects															
(iii) Construction of public housing															
(a) Large projects															
(b) Small projects															
(iv) Subsidies to resource groups for development and/or management															

The set of social housing objectives and performance criteria can be considered the basis for evaluating the effectiveness of a broad range of social housing policies and programs.

PART IV

FINDINGS AND RECOMMENDATIONS

XII

KEY FINDINGS

Chapter Highlights

In this chapter, we present our key findings. Briefly, we found:

- An estimated 250,000 households in need out of 1.1 million households in the province. Of these, roughly 200,000 households are receiving some degree of housing assistance. An additional 15,000 households are benefitting from the social housing system but are not in need. Most of these households are residents in housing co-operatives and a few are in non-profit or BCHMC administered units.

- Affordability, not adequacy, is the main social housing problem. But the greatest weakness in the system is its inability to identify the needy and allocate benefits in direct proportion to the extent of need.

- The accepted definition of "core housing need" is inadequate and is a major cause of benefits not being delivered in direct proportion to need.

- Shelter allowances, paid at **adequate** levels, will allow the province to cost-effectively assist low-income households.

- We found no substantial abuses of the system. However, existing legislation governing co-operatives does not adequately cover standards for the management of co-operative housing or sufficiently protect all co-op members.

- A complex and restrictive regulatory environment constitutes a substantial obstacle to the provision of affordable housing. Regulatory reform could significantly reduce the cost of social housing programs.

- Social housing policies do not encourage innovative, alternative housing approaches for the elderly and disabled.

- The qualifications of social housing resource groups should be verified by mandatory certification.

- Greater attention should be paid to security of tenure for recipients of demand-side social housing benefits.
- There is insufficient consultation by government with the users of social housing and their advocates.

These findings are discussed in detail below.

A. RESOURCES ARE NOT DELIVERED IN PROPORTION TO NEED

In Chapter II, we identified our major task as finding the answer to this question: is the existing allocation of provincial resources to the core needy as efficient as it can be?

The answer, already foreshadowed in much of the evidence presented, is that it is not. To summarize our findings:

- About half the residents of Co-op units are not in need, using the prevailing CMHC definition of need. As well, 30%-38% of the total government subsidy for co-ops is going to households with incomes well above the core need level. This represents a "loss" to the core needy of at least $20 million annually in this province.
- There is some small degree of "leakage" in the SAFER program.
- In total, about 15,000 households not in the core need category are receiving benefits from the social housing system. This is about 7.5% of the number of households in need that are receiving social housing benefits. Total leakage of funds to these households may be around $50-$60 million.
- Generally, the other social housing programs are allocating all or most of their funds to those who are described, by the prevailing definitions, as being in core need. In percentage terms, the social housing dollars which are not reaching the core need group is small — perhaps 8%-10% of the total. There are two more serious allocation problems relating to core need. The first is that for many in core need, the rent allowance payments are inadequate. This applies particularly to GAIN and somewhat to SAFER recipients. Secondly, the ability of the overall system to tailor the size of benefits — indirect subsidies or direct payments — to the size of the household need for housing assistance, and the income problems caused as the result of housing expenditure, is inadequate.

Specifically:

- co-op rents, as a proportion of household income, are about twice as high for those in core need as they are for those with higher incomes in proportion to their incomes;

- SAFER only pays 75% of the rental charge over 30% of income, regardless of the level of household income;

- Public housing rent-to-income formulas used by BCHMC generally ignore family size and the ages of dependents; although these factors affect the adequacy of household income.

- GAIN recipients regularly pay three to four times the proportion of their income for shelter as do the better-off residents of co-ops. Average government expenditures on co-op households are substantially higher than average government expenditures on shelter for GAIN recipients.

We conclude that to do a better job of serving the most needy, a system is required which will:

- Define and identify need in a quantified and standardized manner.

- Deliver benefits in direct proportion to the extent of fluctuating household need.

This, rather than just the leakage of funds to those with middle incomes, is probably the greater weakness in the current system.

Our proposals for defining and tabulating need, and delivering benefits accordingly, are contained elsewhere in this report.

B. SOCIAL HOUSING NEED MUST BE DEFINED IN A BETTER WAY

In Chapter V, we also present evidence of affordability being the main problem. In Chapter XI, we have described both the prevailing means of defining need and our preferred alternative.

For the reasons indicated, we find there is a need for a revised method of calculating household need in relation to household income.

C. THE CASE FOR GREATER USE OF SHELTER ALLOWANCES

1. The General Advantages

The B.C. government is not supportive of social housing construction, outside the federal-provincial framework. Since 1979, it has undertaken no public housing building on its own. Further, its concern about the potential for subsidization of shelter costs for those not in need was a major factor in the initiation of this inquiry.

Governments, like individuals, are becoming more concerned that funds are carefully applied to necessities when the past level of income has been reduced or is threatened. Over the past several years, the British Columbia government has experienced such a reduction in income levels through the reduced income of resource sector enterprises within the province. The downturn of the resource sector can be seen in the economic problems of the resource-based interior communities and the heightened efforts of the province to ensure that expenditures are well focussed on those with needs. Indeed, this inquiry is testimony to the government's concern about social housing expenditures going to better off households.

As has been seen elsewhere in our report, construction programs have resulted in per housing unit subsidies almost twice that of other methods and has, in some cases, provided assistance to those of middle or higher incomes.

This still leaves open the issue of how the government can go about effectively providing assistance to those in core need.

While a mix of different housing programs will always be required, we feel that shelter allowances have a number of advantages, both social and administrative, for this purpose. These include:

- Quick response to the main current social housing problem of affordability.
- Effective targeting on the most needy.
- Compatibility with our quantified definition of social housing need.
- No distortion of the private housing market.
- Freedom of residential choice for those in need.
- Little tendency to ghettoization.

- Relatively low short-term cost.
- Immediate benefit for a large number of households.
- Potential for widespread support by users and advocates.

We received a number of submissions in favour of shelter allowances. One of the most thoughtful and detailed was from Frank A. Clayton, President of Clayton Research Associates, economic consultants, whose work in the housing field is well known across Canada. It is presented in Appendix V. We feel it deserves quoting at length (emphasis added).

> - "A small but significant proportion of renters cannot afford adequate accommodation on the private rental market.
> - There is no question that a small but significant proportion of renters, both in B.C. and other parts of the country, are having to pay an excessive share of their income for adequate shelter. It is also clear that **affordability is the main problem facing these renters (overcrowding and physical inadequacy of dwellings are now very minor problems). CMHC has estimated that approximately 20% of renters across Canada have a serious affordability problem; the proportion is probably about the same in British Columbia.**
> - **The non-profit and co-operative housing program is a very cost-inefficient way of addressing the problems of renters with an affordability problem.**
>
>   On the positive side, there is no doubt that the housing produced through the non-profit and co-operative housing program is generally of good quality and that the projects provide a desirable tenant mix compared to the ghetto image which characterized many earlier social housing projects.
>
>   Nonetheless, in order to achieve the desired tenant mix, a large proportion of the available subsidy for non-profit and co-operative housing projects must be diverted away from low-income households to provide housing (at the "lower end of market" rents) to other non-income-tested tenants.
>
>   The non-profit and co-operative housing program has had very little impact on the over half a million renter households in need of housing assistance in Canada. In order to promote a tenant income mix, most of the housing produced by the program is occupied by households who would not normally be

provided with housing subsidy assistance. Thus, the housing produced each year which is left for income-tested tenants amounts to only one to two percent of the total need.

- ▶ The new federal social housing initiatives announced last December are not the answer.

The federal government has announced changes to both the non-profit and co-operative housing programs. In our view, the requirement that all federal subsidy assistance to non-profit projects must, in the future, be directed to low-income renters, is a positive step in terms of cost-effectiveness, but it raises the thorny issue of the problems associated with concentrating low-income tenants in projects with no income-mixing. Also, in our view, continuation of subsidy assistance to co-operative housing is very difficult to justify; **all subsidy dollars should be targeted directly at low-income occupants of these projects with no implicit or explicit subsidies to the projects themselves.**

While moving in the right direction, these new federal initiatives are a disappointment to those of us seeking better, more effective ways of providing housing assistance to the needy. Essentially, the federal proposals merely tinker with the existing non-profit and co-operative housing programs and offer little hope of a significant improvement in the assistance available to low-income tenants.

- ▶ A program of shelter allowances remains the only logical means for addressing the housing needs of low-income renters.

The intent of a shelter allowance program is to address the real needs of low-income tenants: insufficient incomes to afford adequate accommodation.

Shelter allowances are a direct cash payment to needy families or individuals to enable them to afford adequate housing of their own choice from the existing rental stock. The amount of the cash payment is based on household income and the cost of adequate housing. The formula which appears to have received the most attention in Canada (and is currently in use in the B.C. shelter allowance program for elderly renters) is one where the cash payment would be equal to 75% of the difference between 30% of income and the household's rent (subject to a maximum constraint based on typical rents in the local market).

> The shelter allowance program would be targeted directly at renter households who are in need yet allow them to remain integrated with non-needy tenants rather than move to a specific project. Generally, tenants would remain in their current accommodation since studies have shown that, in most cases, it is adequate to their needs -- it is also located where they have chosen to live. Unlike current social housing programs, the allowance would be portable so households would not be confined to obtaining accommodation in the limited stock of assisted housing. A further attractive element of the shelter allowance approach compared to current social housing programs is that all tenants in the target groups (for example, all needy families and elderly households) would be eligible and able to receive the allowance -- there would be no waiting lists among the eligible households."

2. The basic mechanism

We recommend the use of the existing system for the delivery of GAIN to pay enhanced shelter allowances to those in need. All those interested in determining their eligibility for a social housing allowance would make application to the nearest office of the Ministry of Human Resources. Using our concept of social housing need, applicants would have to identify their actual shelter costs and total household income. If the amount of household income required was less than the income minimum designated by family size, ages of household members, and any special housing need, the household would be eligible for a shelter allowance equal to the difference between the shelter cost and the available income; to an established maximum. In this way, the requirement for shelter supplementation could be tied to the existing eligibility criteria for GAIN.

A standard definition of income and rules for handling assets would have to be part of the system. Other details would have to be worked out.

Households would be required to notify the government of any significant change in financial circumstances; and to re-apply annually.

Cheques would be paid monthly, directly to the head of the household. It would be up to this person to apply the amount received to either rent or other household expenses.

The system could be administered through the existing network of 150 MHR offices, located in 17 regions around the province.

If these same offices are used to also handle the needs registry function, registration and application for shelter allowance could be combined into one form. Existing staff and support facilities could be used to handle this function.

We do not believe that an income transfer earmarked for housing could replace all construction programs. But we do believe such a transfer can become the main mechanism by which social housing is delivered. Ideally, this would be done as part of a comprehensive national income transfer system. As this is not an option, we recommend avoiding the cost of setting up and running a new provincial system, by using the existing GAIN program. This has the potential disadvantage of complicating the achievement of both housing and social assistance objectives. But if this opening can be taken as the occasion to make changes to the structure of GAIN, giving it the characteristics of an income-tested general income supplementation system, many of these problems could be eased and some avoided altogether. In this way, shelter allowance coverage could be extended to the working poor.

3. Such a program could be implemented in two stages

- The first stage could involve increasing the level of shelter allowances to those who are presently eligible for GAIN, to a level which covers 100% of the cost of shelter for at least 70%-80% of all those who are eligible under the present rules. This portion of new costs would be cost-shared 50% by the federal government.
- Next would come extending eligibility by stages to include other groups such as the working poor with larger families. This could be done after the first step above, as it becomes affordable financially. Some portion of this additional coverage would not be cost-shared with the federal government.

4. The probable cost

Frank Clayton estimates a national shelter allowance to cost in the range of $600 to $700 million per year. If so, the cost in B.C. should, adjusting for the somewhat higher social housing need in this province, be in the range of $70 to $95 million. Ministry of Human Resources officials have given us an estimate of $50 million to raise the existing benefits close to the levels we propose. If so, stage one above would cost an additional $50 million; and stage two another $20 to $45 million annually.

By using a concept of need as described above, a substantial portion of a provincial shelter allowance program might be federally cost-shared under the Canada Assistance Plan. Cost-sharing could reduce the net annual cost to B.C. of both phases to something like $40-$50 millon.

Before making any changes, we strongly recommend a detailed cost estimation. This could be done using a sophisticated model of provincial household incomes and expenditures developed by Statistics Canada; and which is just now becoming ready for use by provincial governments. It could be used to estimate the cost of bringing household incomes up to any given level; and to estimate the number of households, by size, that would be eligible for supplementation.

5. The option already has wide support

Our public consultations indicate a wide range of support for shelter allowances. These include Vancouver Mayor Michael Harcourt, who wrote to us as regards their use for seniors on June 11, 1986 (Appendix W):

> "The Vancouver Special Council Committee on Seniors strongly supports shelter allowances (paid to the tenant) in preference to rent supplements (paid to the landlord) for these reasons:
>
> 1. On a per-unit basis, shelter allowances cost much less than rent supplements (see your preliminary report's tabulations).
> 2. There is a shortage of affordable housing for low-income seniors NOW. (Housing is available, but not affordable.) The funding projected for additional subsidized housing can't meet the existing demand, let alone the needs of the expanding seniors population.
> 3. Low-income seniors should have some choice as to where they live, and not be segregated into supplemented buildings.
> 4. The existing B.C. Safer Program is inadequate for shelter allowances, on two counts:
>   (1) It pays only 75% of the difference between 30% of income and market rent vs. 100% for rent supplements.
>   (2) It imposes unrealistically low ceilings for acceptable rents."

In mid-June, we held a special workshop of housing experts to examine the question of shelter allowances based on the GAIN model. The concept found strong acceptance. One participant, Keith Sashaw, executive officer of the Canadian Home Builder's Association of British Columbia, wrote us on June 18, 1986 (see Appendix X):

> "The need for social housing appears to revolve around three separate concerns:
>
> 1) inadequate income to participate in the existing market;
>
> 2) special requirements of the handicapped, the elderly or those facing "life crisis"; and
>
> 3) the availability of housing that is suitable to maintain dignity.
>
> Clearly, these three concerns are inextricably interwined, for it is obvious that as income decreases or as the needs of an individual increase, there is a concommittant decrease in the availability of suitable accommodation. It was reassuring to hear a general consensus develop at the June 17 meeting that shelter allowances, especially if it could be incorporated into GAIN or other existing programs, could, in fact, go a long way to addressing the inadequate income concern. As you are aware, CHBA has been solidly behind the concept of shelter allowances for some time."

This approach would be of particular appeal for the disabled, whose housing needs we feel justify greater attention. For example, a brief from those staff of the Sunny Hill Hospital for Children, including the hospital administrator, commented that:

> "While we subscribe to the principle of a housing mix **we feel very strongly that funding subsidies should be tied strictly to disadvantaged individuals and not be dissipated in programs that in fact may provide proportionately very little return for the truly disabled or disadvantaged populations.** We feel that if any public dollars are to be so directed, at the broader issues of population demographics, the consequent programs should have strict and significant minimal criterial in the levels of target population access, and that other consumers participating should pay their way in full."

This program would make up for an inequity in the current system. As pointed out in the widely applauded study by Dr. Ann McAfee for the City of Vancouver in 1981-83:

> In reviewing existing housing programs, we were once again discouraged to find that assistance to households with similar needs remains very inequitable. In 1980, we reported the differences in assistance for households in similar circumstances. We found that 20 to 25 per cent of households in market units had difficulty affording adequate and suitable housing. Most of these households (75 per cent) had an affordability problem. They live in adequate housing. Others live in poor quality housing or require care and support services. **Government programs provide little or no assistance for households living in market rental housing. Other households, with similarly low incomes but living in non-market housing, receive support. Shelter allowance programs and non-market housing were recommended to equalize assistance. Recommended actions have not been implemented.**[1]

Thus, we conclude that shelter allowances have broad support; and are clearly preferred over rent supplements by most of those taking part in the inquiry.

6. The main arguments against shelter allowances

There seem to be two main arguments against shelter allowances. The first is that it could be difficult to estimate or control costs. This apparently is a factor in the federal government's disinterest in them. By using the GAIN delivery mechanism, a tight definition of need, and a two-stage implementation strategy, we feel costs can be predicted and controlled.

The second argument is that shelter allowances have no capacity to expand the supply of housing, especially the promotion of special purpose housing. Allowances are seen as having the effect, in tight market especially, of bidding up the cost of rental housing.

---

[1] Who lives in Social Housing, p. 1-6, emphasis added.

On the point of the impact of shelter allowances on housing stock, we are sympathetic to the argument made by Mr. Jim Van, president of the B.C. Real Estate Association, in a response to our interim report (see Appendix Y):

> "The British Columbia Real Estate Association agrees with the provincial and federal government's concerns over the cost-effectiveness of social housing in relation to the number of people who require assistance. We feel that rent supplements and shelter allowances will be the most effective means of helping the most people while minimizing the cost to the government.
>
> We disagree with the BCHMC that rent supplements and shelter allowances do not encourage new construction. We feel Rental construction is determined by the same supply/demand factors as existing housing. Rent supplements and shelter allowances will increase the demand for better housing and the supply will then follow.
>
> In Washington state they have been using shelter allowances to subsidize tenants and it has worked quite well. Under their Section 8, existing housing program of the U.S. Department of Housing and Urban Development, the tenant chooses where they would like to live and then the government issues directly to the landlord a monthly cheque to cover the subsidized portion of the rent. In doing this, the landlord is assured of receiving an economic rent and the tenant is given better housing which is affordable. Also allowing tenants to choose where they wish to live, the government also achieves their goal of a more balanced community, eliminating slum areas."

We generally agree with this view. Shelter allowances, if paid at **adequate** levels for a substantial portion of low-income residents of the province, should have the effect of increasing effective housing demand by another \$50-\$100 million, and could encourage more rental unit construction.

In Chapter VII, we cited recent evidence from Manitoba and other jurisdictions about the effects of shelter allowances. This favourable picture is hardly recent. As far back as 1973, the Joint Centre for Urban Studies of the Massachusetts Institute of Technology and Harvard University conducted that country's first demonstration study of housing allowances (see Arthur P. Solomon and Chester G. Fenton, Working Paper No. 23, October, 1973, pp. 39-41). This was based on a shelter allowance demonstration program in Kansas City. While the findings are subject to all the limits of such short-term experimentation, they are instructive. They are also especially relevant because this project used a household income approach similar to the one we recommended.

Their general findings were that:

> "A larger percent of every subsidy dollar actually reaches the target population than in any existing housing subsidy program.
>
> The cost per household of the housing allowance program is considerably less than the cost of any other federal subsidy program.
>
> The earmarking of the allowance and the constraint that recipients occupy standard housing resulted in a significantly larger increase in housing expenditure than would be expected in the absence of constraints. Recipients revealed an income elasticity of demand of 1.92, while for households in general it is between 0.5 and 1.0.
>
> Recipients improved their housing conditions, acquiring larger units, a much lower degree of overcrowding, and more complete bathroom and kitchen facilities.
>
> Recipients improved their neighborhood conditions as evidenced by the higher socio-economic status, percent of home ownership, and market value of units in their new locations.
>
> Locational choice resulted in movement away from the CBD (central business district) and along traditional racial lines. The new neighborhoods were also transitional areas characterized by relatively high vacancy rates.
>
> The work response of recipients was positive. Average earnings and labor force participation rates increased. The occupational distribution shifted toward more desirable jobs. Also, a number of participants were involved in manpower training programs....
>
> In spite of its shortcomings, the nation's first experience with housing allowances indicates that the concept of directly providing low-and moderate-income families with income earmarked for housing appears to be a viable strategy. If additional information forthcoming from the HUD experiments and other field tests of the housing

> allowance approach confirm these preliminary findings, then housing allowances must be given serious consideration as an integral part of the nation's housing and social welfare system."[2]

We have a similar view. Shelter allowances are an appropriate means for tieing together the housing and income transfer sectors into a more coherent whole. While subsequent experimentation in the U.S. produced some results with contrary findings, no valid Canadian experimentation is known to us.

We feel such experimentation in this province would be preferred to further debate about the relevance of data from elsewhere.

D. FINDINGS ON ALLEGED ABUSES AND MISMANAGEMENT

The hearings of inquiry into the alleged abuses in the social housing delivery system did not reveal any substantial abuses of the system; nor was there any significant evidence of sustained incompetence. The hearings did indicate some inability, at least on the part of those cooperatives whose members appeared before the Commission, to manage the real estate and other business affairs of the cooperative in an effective manner. But the hearings also indicated a lack of an administrative structure within which the financial and interpersonal affairs of the cooperatives could be handled effectively. There was also evidence that when problems do develop in a cooperative, whether these problems are interpersonal or financial, there is presently nowhere for many concerned members to turn for advice. We recommend the following:

1. Legislative changes

Many of the difficulties facing the management of housing cooperatives stem from a lack of a suitable legislative framework for their formation, operation and dissolution. The current legislation either ignores or deals inadequately with a number of these issues, including policies regarding conflict of interest, access of members to financial records, sale of assets in dissolution of a cooperative, dispute resolution mechanisms, minority rights, degree of member participation in major decisions, membership admission policies and procedures, and enforcement powers of the Superintendent of Cooperatives.

---

[2] Solomon, A.P. and Fenton, C.G. (1973), pp. 39-41.

We recommend the introduction of legislation concerning housing cooperatives, particularly those receiving public funding. The legislation should deal with the issues referred to above and consideration should be given to the other areas raised at the hearing of inquiry. Many of these provisions will be equally applicable to housing cooperatives which are not receiving public funding; however, certain provisions such as restriction on the sale of assets and dissolution of the cooperative will be inapplicable to those which are not receiving public funding. These issues must be carefully considered. In our view, the protection afforded residents of cooperatives should not be less than that afforded to tenants under provincial landlord and tenant legislation. This requires a new statute.

Preparation of new legislation should be undertaken in consultation with the Superintendent of Cooperatives, the Cooperative Housing Federation of British Columbia and other knowledgeable groups. A main point raised in support of the cooperative means of providing housing is the opportunity for members to participate in the management of their housing. However, when management expertise is lacking, the cooperative can become embroiled in interpersonal and financial difficulties. More investigation is therefore required at the approval stage of the funding process, as to whether the proponents of the particular project will have the experience and ability to undertake the responsibilities of ongoing management. If such experience and ability are not available, the project should not be approved or the cooperative should be required to engage qualified management expertise. While this may be more expensive in the short term, in the long term it may avoid some of the financial difficulties that certain cooperatives are now facing.

2. Responsibilities of Canada Mortgage and Housing Corporation

The hearings revealed a significant level of frustration at the inability of members of co-operatives to obtain assistance from CMHC in their operation and management. This frustration was undoubtedly intensified by the inability of the Superintendent of Cooperatives to assist in problem solving, due to a lack of empowering legislation and manpower. If our recommendation for provincial legislative change is implemented, we expect that pressure for CMHC assistance in these areas will decrease. There will probably be some requirement for increased provincial staff to implement the new legislation.

E. INCREASING THE PRODUCTION OF AFFORDABLE HOUSING THROUGH REGULATORY REFORM

The building industry faces a variety of regulations which restrict its capacity to respond to changing housing requirements and preferences, and to adopt new technology.

Regulatory restrictions can be discussed under three headings: the general regulatory environment, development controls, and building codes. Implementation of zoning regulations is primarily the responsibility of municipal governments, while building, fire safety and health standards are set at the provincial or federal levels. The general regulatory environment is complex and varied across different municipalities. Further, approval processes are often lengthy and costly.

Development controls which inhibit the supply of affordable housing fall into two categories. The most visible is zoning that does not permit certain types of affordable housing, medium or high density forms of development, accessory apartments, convertible units, and mobile homes. Zoning can also preclude many types of conversion and intensification of the existing stock. The second category comprises site development and servicing standards. Where these are set at unnecessarily high levels, affordable housing cannot be provided. These minimum development standards frequently exceed basic health, safety and convenience needs, and appear to be designed solely to protect the interests of established residents, and especially home owners. Certainly, we accept the need to respect the character and integrity of established neighborhoods; but the defense of this is sometimes excessive.

The absence of uniformity in the application of the National Building Code adds to the planning and performance costs of contractors operating across jurisdictional boundaries. Further, Canadian building codes are still essentially prescriptive in nature, in that requirements are mainly defined by describing proven construction and engineering practices for currently used construction systems and mechanical equipment. Such requirements do not provide a flexible basis for regulating new technology. The use of performance codes, which have been introduced in Sweden and the United Kingdom, can provide designers with the opportunity to seek the most cost-effective design solutions, thereby encouraging innovation and the production of affordable housing. Building standards currently used to control renovation and conversion work were originally developed to control new construction. As a result, the application of these standards to existing buildings often means that potential projects of upgrading or conversion become prohibitively expensive. This impedes the adaptation of the existing housing stock to meet changing needs and demands.

Evidence in the United States suggests that excessive regulation has increased construction costs in some localities by as much as 25% of the final sales price. It has hampered the production of housing for people with average or lower incomes, and has reduced flexibility in housing construction using new techniques. In several states in the United States, judicial prescription and legislative reform have begun to address these regulatory problems.

Studies in Canada, particularly in Ontario, also indicate the potential benefits of regulatory reform. We believe that in British Columbia, the provincial government should bring together representatives of the construction industry and municipal governments to consider the development of a province-wide strategy to reduce regulatory restriction on the supply of affordable housing. Further, we believe that the province should review its current fiscal arrangements with municipalities, in order to provide incentives to municipal governments to improve the regulatory environment. It may be necessary to remind municipalities of the province's obligations to the social housing sector. Innovative zoning techniques include the following:

- Incentive zoning such as the use of density bonuses, which allow a builder to construct additional units and a certain proportion of the units in the development are designated for low-income households.
- Inclusionary zoning, under which developers are required to include a minimum of low-income housing in their projects.
- Mobile home zoning, which provides for the acceptance of mobile home parks.

We believe that the present complex and restrictive municipal regulatory environment may constitute a substantial obstacle to the provision of affordable housing by the private construction industry and those developing with government funding.

The protection of established neighborhoods has to be balanced against the need to provide adequate and affordable social housing. A review of the sharing of responsibilities and the related regulatory environment could lead to reforms which result in significant cost reductions oriented to both availability and affordability of housing.

Investigation of these issues should receive ministerial priority.

F. FORMS OF ALTERNATIVE HOUSING

With increased longevity the need for social housing for the elderly and disabled has become a more pressing concern. This has spurred the need for greater development of alternatives to traditional social housing approaches. Some promising approaches are described in Innovations in Housing and Living Arrangements for Seniors, edited by Gloria Gutman and Norm Blackie. These include:

- Match-and-share programs such as Vancouver's Home-Sharers. In these programs, unrelated persons live together, much as a family would, having been matched on the basis of resources and needs.

- Accessory housing, such as the granny annex or granny flat. Self-contained dwelling units are built beneath, above or adjacent to existing family homes.
- Continuing Care Communities. These communities provide a continuum of medical care for people needing different levels of physical and social support.
- Supported Independent Living. Elderly and disabled individuals continue to live in the community with medical and support services (Visiting Homemakers, Meals on Wheels, etc.) provided through Long Term Care programs or other programs.

These approaches are all designed to maximize independent living and provide appropriate, affordable housing. We believe that social housing policy should promote these and other options for assisted independence.

G. RESOURCE GROUPS

As mentioned elsewhere in this report, the federal government will continue to play a role in the provision of social housing units through co-operatives. Under the new Federal/Provincial Global Agreement, the province will be expected to share in the funding of half the 30% of the units targeted on those in need.

The bulk of the units delivered to date through the co-operative program have been organized by "resource groups." Resource groups are non-profit organizations initially organized under grants from Canada Mortgage and Housing for the purpose of contacting and initially promoting the development of a co-operative. In the initial stages, the co-operative advertises for members, makes contact with those owning properties or those who are prepared to deliver to the co-operative a complete housing development, interpret the rules of Canada Mortgage and Housing relating to co-operatives and, in general, act as the promoter in getting the co-operative underway. Compensation for these services is in the form of a fee of one to four percent of the original construction cost of the project.

Through the course of discussions with Canada Mortgage and Housing, representatives of resource groups, and those involved in co-operatives in their developmental stage, it is unclear who takes responsibility for setting the fee, monitoring performance of the resource group and managing their activities. Canada Mortgage and Housing takes the position that the resource group operates on a contractual basis with the co-operative. This is supported by the nature of agreement drawn up between the resource group and the co-operative which sets out their responsibilities and compensation. The contract sets out as the task of the resource group, the organization of the co-op and securing approval for the project. The resource group does not take responsibility for the construction nor any construction supervision. The resource groups confirm this relationship in that when problems arose in the construction of the co-op, they pointed out that they did not have responsibility for construction. The "expeditor" who had been engaged to manage the construction was responsible for that aspect of the project.

At the time a resource group is engaged, the co-op members are akin to subscribers of a new corporation who rely on Canada Mortgage and Housing to act as the regulatory body to ensure that the fees and arrangements are reasonable. None of the members of the new co-op saw themselves as in a position to bargain with the resource group and set their responsibilities and compensation.

The level of compensation to the resource groups has been of some interest to us because of the relatively large surplus balances that have accrued on their balance sheets. Columbia Housing Advisory Association, for example, had annual revenue last year of $900,000 and an accumulated surplus of $572,000 at the end of December, 1985. This surplus has grown steadily, starting at $241,000 in 1983. The size of surplus arising out of the fees charged by the resource groups has led to questions as to whether the fees have been excessive. When questioned on the fee structure, the resource groups responded that the fees are as set out in a schedule agreed to by Canada Mortgage and Housing, and that the surplus balances that have accrued relate to having received fees in advance of providing services.

The payment of substantial fees in advance of the provision of services, i.e., some $500,000, coupled with the nature of the relationship between the fledgling co-op members and the resource group, leads us to the view that Canada Mortgage and Housing as the controlling agency, or the British Columbia Housing Commission, if it is to play a greater role in bearing costs for the operation of co-op units, should take a more direct responsibility for the supervision and setting of compensation for resource groups. The establishment of a registry for those in need of housing may reduce the promotional costs of developing social housing projects, meaning some of the funds used to operate the registry can be covered by reducing the compensation to resource groups who would no longer have to act as promoters in finding low-income members for co-operatives.

Recognizing newly-formed co-operatives' vulnerability to professional resource groups, the Co-operative Housing Foundation of Canada (CHF) has instituted an accreditation system. Resource groups wishing to be accredited apply to CHF. A CHF team reviews the application and determines if the resource group has performed in an adequate way. To receive full accreditation, a group must have demonstrated expertise and follow acceptable practices with regard to accounting, client relationship and so on. Probationary accreditation may be given if a resource group has not actually completed a co-op development project but meets other criteria. An appeal process exists so that CHF member co-ops can ask to have a resource group's accreditation reviewed. Regular reviews are carried out at least every three years.

At present, four B.C. resource groups have full accreditation. These Vancouver-based groups are Columbia Housing Advisory Association, Inner City Housing Society, BILD and Roof Raisers. In addition, Affordable Housing (Vancouver) and Pacifica Housing Advisory (Victoria) have applied for accreditation.

We urge the province to take steps to ensure that all active resource groups must be accredited. Those losing or failing to apply for accreditation should not be permitted to operate. This may require statutory action.

H. GREATER SECURITY OF TENURE FOR TENANTS

Any increased use of the private rental market by those receiving shelter allowances again focuses attention on landlord and tenant relations, particularly as they relate to the security of tenure enjoyed by the tenant.

Advocates of increasing social housing supply argue that greater security of tenure is one of the advantages of non-market ownership. Tenants feel they should not be required to move on relatively short notice, either because the property is being redeveloped or because the landlord asks for substantially higher rent. These strong feeling about tenure of occupancy often outweigh the value placed on the rate of return of landlords or the right of landlords to keep their rents reasonably in line with the marketplace.

The evidence from tenants who have provided information to the Commission leads towards expanding the notice period for eviction and rent increase, so that the tenant has more time to respond to the change and the landlord is required to take a more careful examination of his case for an increase.

It should be emphasized that our views on the landlord/tenant relationship have developed out of receiving information from tenants. As in any relationship, there are undoubtedly aspects of the present legislation which the landlords view as being unfair or harmful to reasonable operation of the rental market. A revision of the landlord/tenant relationship would have to be based on hearing from both landlords and tenants and making changes to the regulatory legislation to ensure both receive fair and equitable treatment.

In the past, discussion of landlord and tenant relationships have tended to move quickly to a discussion of rent controls and their impact on the rental market. From our review of the literature and the receipt of comments from many with concerns about social housing, we believe that rent control sets in motion such dramatic disruption to the marketplace that, in the end, the interests of both landlords and tenants are damaged.

We note that tenant applications for arbitration in fiscal 1986 are up well above the rate for fiscal 1985/86. In 1985/86, there were 109 requests related to matters of repairs and services; and 679 concerning disputed terminations. For the first three months alone of 1986 the numbers are 81 and 336, respectively. For the rental market to operate successfully, both the landlord and tenant must feel fairly treated. Our terms of reference and the information collected have not placed us in a position to make specific recommendations on changes in the landlord and tenant legislation. This warrants a recommendation that the landlord/tenant legislation be reviewed with an eye on providing the greatest reasonable level of security of tenure to tenants consistent with the rights and legitimate interests of the owners and managers of buildings. Otherwise, fear of weak tenancy rights could block any move toward improved demand-side programming.

We are also interested in the possibly greater use of arbitration to settle disputes.

XIII

TEN MAJOR RECOMMENDATIONS

We have reached a number of conclusions about British Columbia's social housing programs. These are mentioned in various places throughout this report. Some are presented as suggestions or ideas for possible further consideration and development by those officials managing social housing programs. But because they are about **fundamental** weaknesses in present social housing delivery and how these can be corrected, a few of these merit the attention of ministers.

There are 10 such major recommendations.

1. Create a system for the management of the provincial social housing sector

A system for the coordinated management of planning, policy and social housing delivery must be created and maintained, under the direction of Cabinet and with the active participation of the seven provincial agencies with a social housing role. These are: BCHMC; Lands, Parks and Housing; Human Resources; Health; Municipal Affairs; Consumer and Corporate Affairs; and Finance. The existing interministerial committee on social housing should be expanded to become the lead social housing agency responsible for this system. This Social Housing Committee should also see to it that all provincial housing programs are regularly evaluated. It should make encouragement of innovative housing solutions a top priority. This is the single most important recommendation we have to make.

2. A new method of defining need

A more precise, equitable and standardized way of defining what is meant by "need" for social housing is required. We have provided the outline of such a method and we recommend its adoption. Those households with income below a designated minimum will be "in need." The extent of need will be determined by the household size, any special needs, and the gap between actual income and the required minimum. This definition includes a focus on the amount of household income remaining for other expenses, after reasonable and basic shelter costs have been met. It should be used by the Social Housing Committee in planning for the use of and allocation of social housing resources.

3. A social housing registry

The extent of social housing need must be determined annually. To do this we recommend establishment of a province-wide and consolidated social housing needs registry, run through the existing network of 150 local GAIN offices. Households wanting social housing benefits would register their needs here.

4. Create a single social housing budgetary envelope

The data on need gained from the first three recommendations should be used as the basis for allocating dollars from a consolidated provincial social housing needs "envelope" or fund.

5. New co-op legislation is needed

New legislation for the regulation of housing co-operatives is required to provide better protection for the interests of co-op members and standards of management.

6. Review municipal by-laws

Municipal by-laws unduly restricting housing construction, and especially rental housing, should be identified and revised.

7. Make greater use of shelter allowances

Greater use should be made of **adequate** shelter allowances, with the existing GAIN system as the preferred means of delivery to those most in need.

8. Review landlord/tenant relations

Greater use of shelter allowances highlights the importance of fair and equitable landlord-tenant relations. To this end, a review of the Residential Tenancy Act (1984) is required.

9. Greater priority on special needs housing

In general, higher priority should be placed on meeting the special social housing needs of the disabled, single parents with larger families, the elderly and battered women.

10. Establish a social housing advisory council

More extensive and frequent consultation by government with those using social housing, and with private and community groups involved with social housing, is required. We specifically recommend that a widely representative Social Housing Advisory Council be formed, with the mandate to provide advice to the Social Housing Committee, and through it to Cabinet. This council should be given a mandate to search for and regularly report on imaginative solutions to social housing needs.

XIV

A FINAL WORD

This inquiry has, for us, been something of an odyssey. We have held dozens of meetings, met hundreds of people and slowly worked our way through thousands of pages of briefs, testimony, records and research papers. We have learned a great deal, both about social housing and about this province. In looking back, we have two dominating impressions. The first is that more can, and should, be done to provide those most in need with decent housing. We have outlined how we feel this should be done.

Our second lasting impression is of the large number of dedicated people devoting time and energy to the housing needs of their fellow citizens. We found these people in community groups, housing associations, non-profit societies, co-ops, commercial enterprises and government. We pay our respects to them.

We must thank those hundreds of people who took the time to let us know their thoughts and concerns. Without them, there would have been no useful inquiry.

We have approached this task with the deliberate intent of trying to reconcile rather than polarize; while at the same time being forthright about our own views and conclusions.

This province's social housing needs are changing. Demographic, economic and cultural factors are contributing to this. As a result, programming flexibility and innovation must be increasingly evident in the future.

This report is done and our terms of reference are now satisfied. But the debate on social housing will go on. So long as this subject continues to attract the intelligence, dedication and imagination shown to us in this inquiry, we are confident that further progress will be made.

For our part, we searched for, and believe we have found, common ground on which to build a better system of social housing in this province.

AN INQUIRY INTO SOCIAL HOUSING FOR BRITISH COLUMBIA

COMMON GROUND IN MEETING CORE NEED

CHAIRMAN JAMES C. COSH

VICE CHAIRMAN SHELLEY M. TRATCH

COMMISSIONER JAMES CUTT

APPENDICES TO THE FINAL REPORT

AUGUST 11, 1986

AN INQUIRY INTO
SOCIAL HOUSING FOR
BRITISH COLUMBIA:

COMMON GROUND
IN MEETING CORE NEED

APPENDICES

August 11, 1986

TABLE OF CONTENTS

	Title	Page
A.	ORDER IN COUNCIL 710	1
B.	THE NEWS MEDIA AND THE INQUIRY	3
C.	NEWSPAPER AD	5
D.	INVITATION TO INTEREST GROUPS	8
E.	SUBMISSIONS REGISTER	10
F.	WORKSHOPS APRIL 5-7, 1986 -- TERMS OF REFERENCE	28
G.	WORKSHOPS APRIL 5-7, 1986 -- MINUTES	31
H.	PLENARY SESSION APRIL 17, 1986 -- TERMS OF REFERENCE	94
I.	PLENARY SESSION APRIL 17, 1986 -- MINUTES	96
J.	SOCIAL HOUSING PROFILE -- BEYOND THE LOWER MAINLAND	112
K.	MEETINGS WITH COMMUNITIES OUTSIDE OF LOWER MAINLAND	148
L.	LIST OF INDIVIDUALS CONTACTED FOR INFORMAL BRIEFINGS	155
M.	SOCIAL HOUSING CONFERENCE, MAY 31, 1986 -- SUMMARY REPORT	157
N.	NEWSPAPER AD -- SOCIAL HOUSING CONFERENCE AND HEARINGS	160

TABLE OF CONTENTS

Title **Page**

O. HEARINGS OF INQUIRY -- WITNESSES, PROCEDURES, AND EXHIBITS 162

P. CHAIRMAN'S LETTER -- JUNE 30, 1986 176

Q. CHAIRMAN'S LETTER TO HON. J. KEMPF RE: FEDERAL/PROVINCIAL AGREEMENTS 178

R. CO-OP FINANCIAL DATA 182

S. LETTER -- INSTITUTE OF CHARTERED ACCOUNTANTS OF B.C., JULY 3, 1986 187

T. BCHMC MEMO ON ESTIMATION OF HOUSING NEED 189

U. AN ALLOCATION MODEL OUTLINE USING LINEAR PROGRAMMING 193

V. LETTER -- F. CLAYTON, APRIL 8, 1986 196

W. LETTER -- M. HARCOURT, MAYOR, CITY OF VANCOUVER, JUNE 11, 1986 201

X. LETTER -- K. SASHAW, CHBA, JUNE 18, 1986 203

Y. LETTER -- J. VAN, B.C. REAL ESTATE ASSOCIATION, JUNE 2, 1986 207

Z. BIBLIOGRAPHY 211

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Appendix A

ORDER IN COUNCIL 710

BRITISH COLUMBIA

710

APPROVED AND ORDERED MAR 27 1986

Lieutenant-Governor

EXECUTIVE COUNCIL CHAMBERS, VICTORIA MAR 26 1986

On the recommendation of the undersigned, the Lieutenant-Governor, by and with the advice and consent of the Executive Council, orders that

1. A Commission be issued appointing James Cosh, Chartered Accountant, Shelley Tratch, Barrister and Solicitor, both of Vancouver and Dr. James Cutt of Victoria to be commissioners under Part 2 of the Inquiry Act, to inquire into the effectiveness of the delivery of social housing in British Columbia in serving the most in need of assistance in obtaining affordable housing.

2. The Commission provide that:

   (a) the commissioners deliver to the Lieutenant Governor in Council

      (i) a preliminary report on the foregoing on or before April 22, 1986, and

      (ii) such further subsequent report or reports as the commissioners deem advisable;

   (b) James Cosh act as chairman and Shelley Tratch as vice chairman at all hearings and meetings of the commissioners.

3. Without limiting the Commissioner's Expenses Regulation (B.C. Reg 283/72), the commissioners remuneration shall not exceed that set out in Treasury Board Directive 8/82.

4. To assist in achieving the objects of the said inquiry, the Commission shall provide that the commissioners may;

   (a) with the approval of the Attorney General, appoint legal counsel to advise them and to assist in adducing evidence, and

   (b) appoint or retain such professional advisors as the commissioners in their discretion deem appropriate.

ACTING PROVINCIAL SECRETARY AND MINISTER OF GOVERNMENT SERVICES

PRESIDING MEMBER OF THE EXECUTIVE COUNCIL

(This part is for administrative purposes and is not part of the Order.)

Authority under which Order is made:

Act and section: Inquiry Act, section 8

Other (specify):

Statutory authority checked by:
(Signature and typed or printed name of Legal Officer)

Appendix B

THE NEWS MEDIA AND THE INQUIRY

THE NEWS MEDIA AND THE INQUIRY

When the Commission was appointed, the media climate was distinctly negative, with cynical opinions about "a whitewash job" being freely expressed. However, as the Commissioners began visiting social housing sites and meeting with leaders of key interest groups, news coverage became more positive. The purpose of the media program was to interest, inform and involve the general public in the Commission's work so that, at its conclusion, it would be able to indicate to government the level of public acceptance or rejection for its recommendations.

During the first three months, the Commission generated over 1,700 column inches of coverage in the daily and weekly newspapers from Vancouver to Fort St. John. While the direct response from communities outside the G.V.R.D. was limited, people across the province were, in this way, made aware of the issues and the Commission's concerns and observations.

Two major display advertisements were published throughout the province, the first announcing the Commission and inviting written statements. The second invited all those interested to attend the Conference on Social Housing Policy Options and to contact the Commission's legal counsel if they had any specific assertions or allegations of improprieties about social housing.

Six news releases were distributed to daily and weekly newspapers throughout the province; summary statements were distributed to the principal electronic media. The Chairman of the Commission appeared on two radio and three television programs.

A summary of the Conference was mailed to all who had had contact with the Commission and a news release was distributed about the proceedings. The Conference was videotaped and a one-hour summary was prepared for airing on cablevision channels and for use by interest groups.

While as this final report is being completed, media coverage is incomplete, it appears to have generally achieved the initial objectives set for it.

Appendix C

NEWSPAPER AD

SOCIAL HOUSING INQUIRY

Your Views Please.

The Commissioners have been appointed by the Provincial Government to inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing.

One function of the Commission will be to identify the key issues which require review. Some that have been brought to our attention are:

1. How much importance should be placed on targeting social housing assistance to those most in need?
2. Should social housing include a mix of income levels within a community? If so, how should this be achieved?
3. Should the private sector play any role in the provision of social housing?
4. Should social housing be built on a subsidized mortgage programme? Should it be leased? Should it be subsidized with shelter allowances or rent supplements?

The above are only some of the important issues.

Because the Government of British Columbia has been asked to enter into an agreement in the near future with the Federal Government concerning social housing, the Commission has been asked to provide a preliminary report on or before April 22, 1986.

The Commission invites your views in writing on any of the issues listed above as well as on any other issues the Commission should consider concerning the effectiveness of the delivery of social housing. Submissions must be received at the Commission office no later than April 11, 1986.

The Commission will arrange to meet with interested groups and individuals as time permits.

Those preparing statements may wish to review background information available at the Commission office. Copies of submissions will also be available for review.

To obtain further information or express your views, call our Social Housing Hotline: 683-3966.

SOCIAL HOUSING COMMISSION OF INQUIRY

James C. Cosh, Chairman
Shelley M. Tratch, Vice-Chairman Dr. James Cutt, Commissioner
1200–1177 West Hastings Street, Vancouver, B.C. V6E 2K3
683-3966

"YOUR VIEWS PLEASE"

APPEARED IN THE FOLLOWING NEWSPAPERS

Daily Newspapers

Vancouver Sun/Province
Victoria Times/Colonist
Cranbrook Daily Townsman
Dawson Creek Peace River Block News
Ft. St. John Alaska Highway News
Kamloops News
Kelowna Daily Courier
Nanaimo Free Press
Nelson Daily News
Penticton Herald
Port Alberni Valley Times
Prince George Citizen
Prince Rupert Daily News
Trail Times
Vernon Daily News

Community Newspapers

Smithers Interior News
Fort Nelson News
Surrey Leader
Abbotsford Sumas & Matsqui News
Chilliwack Progress
Nanaimo Times
North Shore News, North Vancouver

Appendix D

INVITATION TO INTEREST GROUPS

INVITATION TO INTEREST GROUPS

March 27, 1986

Architectural Institute of British Columbia (AIBC)
Advisory Committee on Housing for Disabled persons
British Columbia Coalition for the Disabled
British Columbians for Mentally Handicapped People
British Columbia Real Estate Association
Building Independent Living with the Disabled (BILD)
Building Owners' & Managers' Association
Canadian Home Builders' Association of British Columbia (CHBA)
Capital Region Housing Corporation
City of Vancouver
Columbia Housing Advisory Association
Co-operative Housing Federation of British Columbia
Downtown Eastside Residents Association (DERA)
First United Church Social Housing Society
Greater Vancouver Housing Corporation
Handicapped Action Committee
Handicapped Resource Centre
Inner City Housing Society
Mental Patients Association
Mortgage Lenders Association
Pacifica Housing Advisory Association
Pacific Apartment Managers Association
Rental Housing Council of British Columbia
Roof Raisers Housing Society
Urban Development Institute Pacific Region (UDI)
Vancouver Association for Children and Adults with Learning Disabilities

Dear :

Your organization has made a contribution to the recent report of the B.C. Housing Management Commission entitled "A Social Housing Report for British Columbia".

We would be pleased to receive from you a letter or brief commenting on the recommended positions contained in the report and setting forth your views on any other matters with which the commission is concerned, as indicated in the attached advertisement.

We would like to discuss social housing issues with a representative of your organization at a convenient time over the next two weeks. We will contact you early next week to arrange a meeting.

Yours very truly,

James C. Cosh
Chairman

Appendix E

SUBMISSIONS REGISTER

SOCIAL HOUSING INQUIRY
SUBMISSIONS REGISTER

#	Date of Letter	Date Received	Writer	Association and Address
S 1	03/31/86	04/02/86	B. Crandell	30 -710 West 15th Street North Vancouver, B.C. V7M 3K6
S 2	03/31/86	04/02/86	W.K. Fadden	1B -2495 West 4th Avenue Vancouver, B.C. V6K 1P4
S 3	03/31/86	04/02/86	R.W. Garner	No address
S 4	--	04/02/86	M. Walters	No address
S 5	03/29/86	04/02/86	K. Golden	3690 Skana Drive Vancouver, B.C. V5S 4H6
S 6	03/25/85	04/03/86	K. Sashaw	Canadian Homebuilders' Association of B.C. 750 - 1441 Creekside Drive Vancouver, B.C. V6J 4S7
S 7	03/26/86	04/03/86	B. Delmar	787 Roslyn Boulevard North Vancouver, B.C. V7G 1P4
S 8	03/27/86	04/03/86	R. Gentleman	Co-Operative Housing Federation of B.C. 4676 Main Street Vancouver, B.C. V5V 3R7
S 9	03/13/86	04/03/86	J. Bullivant	Bullivant Sons 6 - 3595 Kingsway Vancouver, B.C. V5R 5L9 Copy of two letters to Jack Kempf

#	Date of Letter	Date Received	Writer	Association and Address
S 10	--	04/03/86	R.B.D. Terry	6579 Throup Road Sooke, B.C. V0S 1N0
S 11	04/01/86	04/03/86	H. Denison	Canadian Mental Health Association 692 East 26th Avenue Vancouver, B.C. V5V 2H7
S 12	04/01/86	04/03/86	E. Lattes	1207 - 450 Simcoe Street Victoria, B.C. V8V 1L4
S 13	—	04/03/86	G.E. Price	4127 Burkehill Road West Vancouver, B.C. V7V 3M3
S 14	04/05/86	04/05/86	A. Etmanski	British Columbians for Mentally Handicapped telegram
S 15	04/04/86	04/04/86	C.N. Miller	304 - 5411 Arcadia Street Richmond, B.C. V6X 2H1
S 16	09/09/85	04/04/86	C.N. Miller	Appendices for letter #15
S 17	03/30/86	04/04/86	L. Fraser	206 - 1123 Burnaby Street Vancouver, B.C.
S 18	—	04/04/86	R. Neumann	7 - 1906 Grant Street Vancouver, B.C. V5L 2Y9
S 19	04/02/86	04/04/86	P. Maddux	1101 - 1831 Robson Street Vancouver, B.C. V6G 1E4
S 20	—	04/04/86	Anonymous	Copy of ad with comments

#	Date of Letter	Date Received	Writer	Association and Address
S 21	04/01/86	04/04/86	G. Tomlinson	106 - 1760 Southmere Crescent White Rock, B.C. V4A 6E5
S 22	04/03/86	04/04/86	T. Green	8005 Curate Wynd Vancouver, B.C. V5S 4K2
S 23	04/02/86	04/04/86	F. Minty	13258 - 100th Avenue Surrey, B.C. V3T 1H5
S 24	04/03/86	04/04/86	J. Hayes	350 - 2025 West 42nd Avenue Vancouver, B.C. V6M 2B5
S 25	04/04/86	04/07/86	Gail Simpson Executive Director	Capital Mental Health Association 1450 Elford Street Victoria, B.C. V8S 3S8
S 26	--	04/07/86	J.L. Clegg	91008 McEliver Road R.R. #1 Rosedale, B.C. V0X 1X0
S 27	04/01/86	04/07/86	J. Campbell	43 - 7365 Cedar Street Mission, B.C. V2V 5S7
S 28	--	04/07/86	Muriel West	2360 Ridgeway Street Abbotsford, B.C. V2T 3H3
S 29	04/04/86	04/07/86	F. Schmidt	1115 East 49th Avenue Vancouver, B.C.
S 30	04/07/86	04/08/86	M. Audain President	Urban Development Institute Pacific Region 2002 - 1055 West Georgia Street Vancouver, B.C. V6E 3P3

#	Date of Letter	Date Received	Writer	Association and Address
S 31	—	04/08/86	Anonymous	No address
S 32	04/04/86	04/08/86	C. Attenborrow	61 - 600 Falcon Drive Port Moody, B.C. V3H 4E1
S 33	03/31/86	04/08/86	B.W. Zelly	209 - 2951 Tillicum Road Victoria, B.C. V9A 2A6
S 34	04/05/86	04/08/86	S. Muscatt and L. Muscatt	104 - 1265 Cardero Street Vancouver, B.C. V6G 2J2
S 35	04/07/86	04/08/86	Ross Barons	211 - 6220 Blundell Road Richmond, B.C. V7C 4P5
S 36	--	04/08/86	Anonymous	Copy of ad with comments
S 37	04/03/86	04/08/86	K. Weibe	3068 Charles Court Clearbrook, B.C.
S 38	04/04/86	04/08/86	W.M. Caisley Mayor	Municipality of Tumbler Ridge Box 100 Tumbler Ridge, B.C. V0C 2W0
S 39	--	04/08/86	J. Bullivant	Bullivant Sons General Contractors 6 - 3595 Kingsway Vancouver, B.C. V5R 5L9
S 40	04/07/86	04/08/86	Ray Louie President	Chinese Benevolent Association of Vancouver 108 East Pender Street Vancouver, B.C. V6A 1T3

#	Date of Letter	Date Received	Writer	Association and Address
S 41	04/08/86	04/08/86	R. Pointkovsky Executive Director	Vancouver Association for Children and Adults with Learning Disabilities 201 - 2182 West 12th Avenue Vancouver, B.C. V6K 2N4
S 42	04/08/86	04/08/86	G.R. Symmons General Manager	Capital Region Housing Corp. 534 Yates Street P.O. Drawer 1000 Victoria, B.C. V8W 2S6
S 43	04/03/86	04/09/86	L. Black Chairperson	United Church of Canada B.C. Conference Health, Housing and Social Services 320 East Hastings Street Vancouver, B.C. V6A 1P4 (copy of letter to The Hon. Jack Kempf)
S 44	--	04/09/86	R. Warkentin	13449 - 87B Avenue Surrey, B.C. V3W 6G7
S 45	03/29/86	04/09/86	J. MacMillan	No address
S 46	04/05/86	04/09/86	J. Townsend	927 Walker Street Victoria, B.C. V9A 4C5
S 47	04/03/86	04/09/86	W.D. Sowchan	2402 South Main Street Penticton, B.C. V2A 5H9
S 48	04/06/86	04/09/86	Colleen Pringle	Site 10, Comp. 16, R.R. #4 Vernon, B.C. V1T 6L7
S 49	04/05/86	04/09/86	J.W. Taylor	309 - 32910 Amicus Place Abbotsford, B.C. V2S 6G9

#	Date of Letter	Date Received	Writer	Association and Address
S 50	--	04/09/86	Anonymous	No address
S 51	04/07/86	04/09/86	Don Matheson	Matheson Engineering & Developments Ltd. 3115 S.W. Marine Drive Vancouver, B.C. V6N 3Y4
S 52	04/09/86	04/09/86	M. Harcourt Mayor	City of Vancouver Office of the Mayor Vancouver, B.C. V5Y 1V4
S 53	04/09/86	04/09/86	Therese Boyd	707 - 1945 Barclay Street Vancouver, B.C. V6G 1L2
S 54	04/08/86	04/09/86	P.M. Border	P M B Consultants Ltd. 933 Beachdrive North Vancouver, B.C. V7G 1P8
S 55	--	04/09/86	Marion Lynn	57 Kanaka Place Nanaimo, B.C. V9J 5B7 (copy of letter to Jack Kempf)
S 56	04/08/86	04/09/86	S.E. Gilmour	1189 Forge Walk Vancouver, B.C. V6H 3R1
S 57	04/09/86	04/09/86	Dr. A. McAfee Housing Planner	City of Vancouver Planning Department 453 West 12th Avenue Vancouver, B.C. V5Y 1V4
S 58	04/08/86	04/09/86	L. Semproni	3527 Tolbooth Vancouver, B.C.

#	Date of Letter	Date Received	Writer	Association and Address
S 59	04/08/86	04/09/86	B. Highton President	Highton & Assoc. Real Estate Ltd. 207 - 3561 Shelbourne Street Vancouver, B.C. V8P 4G8
S 60	04/10/86	04/10/86	--	Vancouver Unemployment Action Centre 17 East Broadway Vancouver, B.C. V5T 1V4
S 61	—	04/10/86	John Rex	7835 Ontario Street Vancouver, B.C. V5X 3C8
S 62	04/08/86	04/10/86	A. Preyde President	Superior Street Housing Co-Op 415 Superior Street Victoria, B.C. V8V 1T5 (submitted by committee)
S 63	04/05/86	04/10/86	L. Jolicoeur	Salal Co-Op 51 - 600 Falcon Drive Port Moody, B.C. V3H 4E1
S 64	04/03/86	04/10/86	B. Annett Executive Director	Coast Foundation Society (1974) 295 East 11th Avenue Vancouver, B.C. V5T 2C5
S 65	04/09/86	04/10/86	P. Morgan	1256 Shorepine Walk Vancouver, B.C.
S 66	04/08/86	04/10/86	K. Lyons President	The Elder's Network 105 - 2182 West 12th Avenue Vancouver, B.C. V6K 2N4
S 67	04/07/86	04/10/86	J.D. Watts	2285 Woodlawn Crescent Victoria, B.C. V8R 1P1

#	Date of Letter	Date Received	Writer	Association and Address
S 68	04/08/86	04/10/86	M.L. Braithwaite	1321 - 128A Street Ocean Park Surrey, B.C. V4A 3X2
S 69	04/07/86	04/10/86	W. Westwood	Bracken Heights Housing Co-Operative P.O. Box 72 Brackendale, B.C. V0N 1H0
S 70	04/05/86	04/10/86	M.S. Bedford	Cordova Bay Senior's Lodge Society c/o 5221 Rambler Road Victoria, B.C. V9Y 2H6
S 71	04/09/86	04/10/86	E.T. Rogers	205 - 470 Granville Street Vancouver, B.C. V6C 1V5
S 72	04/08/86	04/10/86	M. Baker Chairman	Greater Vancouver Housing Corp. 4330 Kingsway Burnaby, B.C. V5H 4G8
S 73	04/08/86	04/10/86	C.P. Trinidad	P.O. Box 445 Station "A" Vancouver, B.C. V6C 2N2
S 74	--	04/10/86	Mr. & Mrs. T. Busch	8003 Hollyhock Lane Kinross Creek Co-Op Vancouver, B.C.
S 75	04/03/86	04/10/86	P. Vaughn	No address given
S 76	04/07/86	04/10/86	E. Fox	Heatherridge Housing Co-Op 16 - 1360 Hillside Avenue Victoria, B.C. V8T 2B5

#	Date of Letter	Date Received	Writer	Association and Address
S 77	--	04/10/86	C. McArthur President	Greenland Housing Co-Op 10451 Swinton Crescent Richmond, B.C. V7A 3S5
S 78	--	04/10/86	—	B.C. Federation of Labour 3110 Boundary Road Vancouver, B.C. V5M 4A2
S 79	04/11/86	04/11/86		Co-Operative Housing Federation of B.C. Co-Operative Housing Foundation of Canada Building Independent Living with the Disabled Society Columbia Housing Advisory Association Inner City Housing Society Roof Raisers Housing
S 80	04/10/86	04/11/86	Keith Sashaw Executive Officer	Canadian Home Builders' Association of B.C. 750 - 1441 Creekside Drive Vancouver, B.C. V6J 4S7
S 81	04/06/86	04/11/86	Fred Grayston	801 - 2045 Nelson Street Vancouver, B.C. V6G 1N8
S 82	04/10/86	04/11/86	Augusta Lokhorst	307 - 101 East 7th Avenue Vancouver, B.C.
S 83	04/04/86	04/11/86	M.J. Mawson President	Broadmead Farms Ltd. 950 Royal Oak Drive Victoria, B.C. V8X 3T4
S 84	04/11/86	04/11/86	A. Chung ?? Director	Le Coeur Housing Co-Operative 3502 Cordiale Drive Vancouver, B.C. V5S 4H3

#	Date of Letter	Date Received	Writer	Association and Address
S 85	--	04/11/86	P. Thompson	Manhattan Co-Operative Housing Association 45 - 784 Thurlow Vancouver, B.C. V6E 1S1
S 86	04/02/86	04/11/86	Pritman S. Toor Chairman, Housing	The Progressive Indo-Canadian Comm. Services Society P.O. Box 283 Surrey, B.C. V3T 4W8
S 87	04//02/86	04/11/86	Michael H. Weeks Sec-Manager	604 - 522 Moberley Road Vancouver, B.C. V5Z 4G4
S 88	04/07/86	04/11/86	Signed by committee	Vernon Friends of Schizophrenics, Canadian Mental Health Association 3105 - 28th Avenue Vernon, B.C. V1T 8Y4
S 89	04/06/86	04/11/86	H.A. Williams	Box 60 Kaleden, B.C. V0H 1K0
S 90	04/09/86	04/11/86	J. Crowden	33 - 600 Falcon Drive Port Moody, B.C. V3H 4E1
S 91	04/09/86	04/11/86	C.M. Bayley	4792 Trafalgar Street Vancouver, B.C. V6L 2M9
S 92	04/11/86	04/11/86	Mary Cullen Chairperson	Marina Housing Co-Operative 1590 West 1st Avenue Vancouver, B.C. V6J 4X4
S 93	04/10/86	04/11/86	Helen Smith Chairman, Advocacy	West End Seniors' Network 1130 Jervis Street Vancouver, B.C. V6E 2C7

#	Date of Letter	Date Received	Writer	Association and Address
S 94	04/11/86	04/11/86	W. Dragomir President	Grandview Housing Co-operative No address
S 95	04/08/86	04/11/86	A & M Soros	2311 Bellevue Avenue West Vancouver, B.C.
S 96	04/08/86	04/11/86	Vernon L. Dewitt	Dominion Habitat Consultants 101 - 1827 West 5th Avenue Vancouver, B.C. V6J 1P5
S 97	--	04/11/86	--	B.C. and Yukon Building Trades Council 4350 Dominion Street Burnaby, B.C. V5G 4M7
S 98	04/11/86	04/11/86	J.B. Thomas Manager	Rose Garden Co-Operative Housing Society 853 East Pender Street Vancouver, B.C. V6A 1V9
S 99	04/11/86	04/11/86	Betty Backman Vice-President	Little Mountain Residential Care & Housing Society c/o 3981 Main Street Vancouver, B.C. V5V 3P3
S100	04/10/86	04/11/86	Margaret M. Murdock	3860 Point Grey Road Vancouver, B.C. V6R 1B4
S101	04/11/86	04/11/86	Gordon Cochran Project Coordinator	Affordable Housing Advisory 101 - 525 Seymour Street Vancouver, B.C. V6B 3J3
S102	—	04/11/86	Gay Cartlidge	Box 23 Garry Oaks Nanoose Bay, B.C. V0R 2R0

#	Date of Letter	Date Received	Writer	Association and Address
S103	04/05/86	04/11/86	Pat & Jim Forgraves	1703 Wallace Street Vancouver, B.C. V6R 4J7
S104	04/11/86	04/11/86	Hilda Gregory President	The 127 Society for Housing 302 - 2215 York Avenue Vancouver, B.C. V6K 1C5
S105	04/11/86	04/11/86	Dennis Robideau Board of Directors	Lakewood Terrace Housing Co-Operative 2075 East 12th Avenue Vancouver, B.C. V5N 2A9
S106	04/09/86	04/11/86	—	End Legislated Poverty c/o 6th Floor 686 West Broadway Vancouver, B.C. V5Z 1G1
S107	04/11/86	04/11/86	—	B.C. Housing Coalition
S108	04/11/86	04/11/86	Margaret Mitchell President	Vancouver and District Public Housing Tenants Association (1978) 12 - 246 East Broadway Vancouver, B.C. V5T 1W3
S109	—	04/11/86	Heather Paget	No address
S110	04/11/86	04/11/86	David Shillington & Glenys Grimsdick Social Workers Elio Azzara Hospital Administrator	Sunny Hill Hospital for Children 3644 Slocan Street Vancouver, B.C. V5M 3E8
S111	—	04/11/86	—	False Creek Co-Operative Housing Association 711 Millyard Vancouver, B.C. V5Z 3Z9

#	Date of Letter	Date Received	Writer	Association and Address
S112	04/11/86	04/11/86	Board and Society	First United Church Social Housing Society 102 - 370 Jackson Avenue Vancouver, B.C. V6A 3X1
S113	04/11/86	04/11/86	Illegible	1086 - 17th Street West Vancouver, B.C. V7V 3T9
S114	04/11/86	04/11/86	R.G. Clemenhagen Director Client Services	British Columbia Buildings Corporation 1767 Ross Street Victoria, B.C. V8Z 1K5
S115	04/11/86	04/13/86	Bill Kennedy Treasurer	Kanata Co-Op Housing Assoc. 7155 Blake Street Vancouver, B.C. V5S 3V5
S116	04/14/86	04/14/86	May C. Gutteridge Parish Worker/ Director	St. James' Social Services Society, Gastown Workshop 331 - 333 Powell Street Vancouver, B.C. V6A 1G5
S117	04/09/86	04/14/86	R. Whiting	9230 Main Street Chilliwack, B.C. V2P 4M7
S118	04/07/86	04/14/86	Romi Casper	Superior Housing Co-Operative Victoria, B.C.
S119	04/ /86	04/14/86	--	Red Door Rental Aid Society 200 - 2250 Commercial Drive Vancouver, B.C. V5N 4B6
S120	--	04/14/86	Sheila McDiarmid	B.C. Housing Foundation 106 - 198 West Hastings Street Vancouver, B.C. V6B 1H2

#	Date of Letter	Date Received	Writer	Association and Address
S121	04/ /86	04/14/86	--	Tenants Rights Coalition 5 - 2475 Manitoba Street Vancouver, B.C. V5Y 3A4
S122	04/11/86	04/14/86		The B.C. Coalition of the Disabled
			J. Weiss	BCCD
			D. Robinson	BILD
			N. Haw	CPA
			P. Gazzola	MPA
S123	04/09/86	04/14/86	V. and S. Greenough	203 - 2648 Graham Street Victoria, B.C. V8T 3Y9
S124	04/08/86	04/14/86	Elizabeth Trano	12101 Dunbar Street Maple Ridge, B.C. V2X 5T7
S125	04/10/86	04/14/86	Mary Jean Ellis, MSW	G.F. Strong Rehabilitation Centre 4255 Laurel Street Vancouver, B.C. V5Z 2G9
S126	04/03/86	04/14/86	Martyn Douglas President	B.C. Real Estate Association 205 - 1847 West Broadway Vancouver, B.C. V6J 1Y6
S127	04/09/86	04/14/86	Sharon DeWreede Board of Directors	UEL Tenants Society 2244 Allison Road Vancouver, B.C. V6T 1T6
S128	04/08/86	04/14/86	A.J. Griffin Reverend	St. Andrews United Church 7756 Grand Street Mission, B.C. V2V 3T3
S129	--	04/14/86	G. Rosche	46661 Chilliwack Lake Road Sardis, B.C. V2R 2P1

#	Date of Letter	Date Received	Writer	Association and Address
S130	04/11/86	04/14/86	James Harris	Phelps Coin Laundry 3640 No. 4 Road Richmond, B.C. V6X 2L7
S131	04/13/86	04/15/86	Jean Sheridan	#507 - 1650 Haro Street Vancouver, B.C. V6G 2X9
S132	--	04/16/86	Mrs. Dick Lower	15535 Royal Avenue White Rock, B.C. V4B 1N5
S133	04/02/86	04/16/86	Pritam S. Toor Chairman Housing Com.	Progressive Indo-Canadian Comm. Services Society P.O. Box 283 Surrey, B.C. V3T 4W8
S134	04/12/86	04/16/86	V.M. Siquera	#7 - 283 Michigan Street Victoria, B.C. V8V 1R4
S135	04/17/86	04/16/86	Wayne Smithies President	Pacifica Apartment Mgmt. Assoc. Suite 601 - 325 Howe Street Vancouver, B.C. V6C 1Z7
S136	04/17/86	04/18/86	L.H. Harrison Provincial Sec.	Royal Canadian Legion 3026 Arbutus Street Vancouver, B.C. V6J 4P7
S137	04/17/86	04/22/86	L. Beasley	Forum for Planning Action 1 - 1386 Nicola Street Vancouver, B.C. V6G 2G3
S138	--	04/25/86	Jim Palibroda President	Afford-a-home 221 - 5th Street Prince Rupert, B.C. V8J 3T2

#	Date of Letter	Date Received	Writer	Association and Address
S139	04/26/86	04/29/86	John M. Phillips	1120 Temple Avenue Victoria, B.C. V8Y 1E6
S140	—	04/07/86	Iris Ransom	21788 Dewdney Trunk Road Maple Ridge, B.C. V2X 7V5
S141	05/14/86	05/15/86	K. Lyons	The Elder's Network 105 - 2182 West 12th Avenue Vancouver, B.C. V6K 2N4
S142	05/24/86	05/27/86	R. Kollin	221B - 1909 Salton Road Abbotsford, B.C. V2S 5B6
S143	05/22/86	05/27/86	K.D. Tappinp	CMHC, B.C. Region Suite 800, 1500 West Georgia Vancouver, B.C. V6G 3A1
S144	05/26/86	05/29/86	R.A. Barons	#211 - 6220 Blundell Road Richmond, B.C. V7C 4P5
S145	06/02/86	06/06/86	L.B. Rowland	3023 Paisley Road North Vancouver, B.C. V6R 1C7
S146	05/ /86	06/06/86	J.W. Wilson	Simon Fraser University
S147	06/02/86	06/06/86	C.M. Bailey	4792 Trafalgar Street Vancouver, B.C. V6L 2M9
S148	05/26/86	06/09/86	K. Chopik	Victoria Cool-Aid Society 1900 Fernwood Road Victoria, B.C. V8T 2Y7
S149	06/02/86	06/09/86	I. Van	B.C. Real Estate Assoc. 205 - 1847 West Broadway Vancouver, B.C. V6J 1Y6

#	Date of Letter	Date Received	Writer	Association and Address
S150	no date	06/10/86	M. Hamann	W.I.N.S. P.O. Box 153 Trail, B.C. V1R 4L5
S151	06/11/86	06/16/86	M. Harcourt	Office of the Mayor City of Vancouver V8Y 1V4
S152	06/16/86	06/17/86	H.W. Egleston	Corporation of the District of North Vancouver P.O. Box 86218 North Vancouver, B.C. V7L 4K1
S153	06/18/86	06/23/86	K. Sashaw	Canadian Home Builders' Assoc. of B.C. Suite 750 - 1441 Creekside Drive Vancouver, B.C. V6J 4S7

Appendix F

WORKSHOPS APRIL 5-7, 1986

TERMS OF REFERENCE

SOCIAL HOUSING INQUIRY

TERMS OF REFERENCE FOR INFORMAL MEETINGS WITH INTERESTED ORGANIZATIONS

Introduction

The Commissioners have been appointed by the Provincial Government to inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing.

One function of the Commission will be to identify the key issues which require review. Some that have been brought to our attention are:

1. How much importance should be placed in targeting social housing assistance to those most in need?
2. Should social housing include a mix of income levels within a community? If so, how should this be achieved?
3. Should the private sector play any role in the provision of social housing?
4. Should social housing be built on a subsidized mortgage programme? Should it be leased? Should it be subsidized with shelter allowances or rent supplements?

The above are only some of the important issues.

Because the Government of British Columbia has been asked to enter into an agreement in the near future with the Federal Government concerning social housing, the Commission has been asked to provide a preliminary report on or before April 22, 1986.

Objectives

The Commissions want to meet with the leaders of key organizations to review with them some of the key issues involved and thus to assist them in preparing their preliminary report due April 22. They seek the views of the various groups on the nature of the problems facing social housing, the objectives which should be pursued and the policy options which should be explored. Questions for discussion may include those listed above but are not limited to them.

Process

To achieve this objective within the time available, the Commission wishes to meet with representatives of six distinct constituencies, for social housing: the disabled, low income people, seniors, women in special need, the housing industry and government agencies. Each group is limited to one representative because of the limitations of time and space.

The Commission will invite representatives of these constituencies for a half-day informal meeting with the following agenda: (see list and schedule on next page.

1. Introduction and Welcome - Chairman.
2. Review of Commission's Understanding of Main Constituency Issues - Commission Members.
3. Correction and Revision as Needed - Participants.
4. Commission's Issues and Questions for Group Discussion - Commission Members.
5. Conclusion.

Some background material will be distributed to each participant before the meeting.

The meetings will be held at:

Holiday Inn Harbourside
Prince George Room
1133 West Hastings Street
Vancouver, B.C.

To foster a free and frank exchange of views, the media will not be invited to attend.

Minutes will be taken and will be distributed to the participants soon after the meeting; minutes will also be available for public review at the Commission's offices.

At the conclusion of each meeting the participants will be asked to nominate one person to represent their constituency in a final plenary workshop representing all the interests covered.

This workshop is scheduled for April 17. Its purpose will be to work towards general agreement on the objectives of social housing programs; an identification of needs not being met; the effectiveness of current policies and programs; and some policy options.

If invited groups have any comments, suggestions, or questions about this process, please call 683-3966.

James C. Cosh
Chairman

March 31, 1986

Appendix G

WORKSHOPS APRIL 5-7, 1986

MINUTES

SENIORS GROUPS

Date: April 5, 1986
Time: 9:00 a.m. to 12:00 p.m.

Mr. Steven Leary	Downtown Eastside Residents Association
Ms. May Gutteridge	St. James Social Services
Ms. Linda Clark	Shelter Aid for Elderly Renter Program (SAFER)
Mr. Paul Teichroeb	Residential Rehabilitation Assistance Program
Mr. Jim Wilson	North Shore United Way Housing Committee
Ms. Dorothy Calvert	Mayflower Co-operative Housing Association
Mr. John Chorney	New Chelsea Society
Mr. Pousett	Beulah Garden Homes
Ms. Madge Sasuari	Seniors 411 Centre

DISABLED GROUPS

Date: April 5, 1986
Time: 2:00 p.m. to 5:00 p.m.

Ms. Jill Weiss	British Columbia Coalition for the Disabled
Mr. Alan Etmanski	British Columbians for Mentally Handicapped People
Mr. Doug Robinson	Building Independent Living with the Disabled (BILD)
Ms. Joanne Neubauer	Handicapped Action Committee
Mr. Les Watson	Handicapped Resource Centre
Ms. Patti Gazzola	Mental Patients Association
Mr. Bon Potegal and Mr. Carl Evers	Roof Raisers Housing Society
Mr. Roman Piontkovsky	Vancouver Association for Children & Adults with Learning Disabilities
Mr. Norm Haw	Canadian Paraplegic Association (B.C.Division)
Mr. William Townsend	B.C. Lions Society for Crippled Children
Ms. Helen Parker	Western Institute for the Deaf
Mr. Norm Gould	Canadian National Institute for the Blind (CNIB)

WOMEN WITH SPECIAL NEEDS GROUPS

Date: April 6, 1986
Time: 9:00 a.m. to 12:00 p.m.

Mr. Steven Leary	Downtown Eastside Residents Association
Ms. Susan Dehnel	Women's Resource Centre
Ms. Jan Ford	Women Against Violence Against Women (WAVAW)
Ms. Jennifer Kilcup	North Shore Transition House and Emergency Centre, Vancouver Status of Women
Capt. Christine McMillan	Kate Booth Society
Ms. Vi Roden	Act II Society
Ms. Jan Lancaster	Munro House
Ms. Mona Jurczyk	Nova House

LOW INCOME HOUSEHOLD GROUPS

Date: April 6, 1986
Time: 2:00 p.m. to 5:00 p.m.

Mr. Gwyn Symmons	Capital Region Housing Corporation
Dr. Ann McAfee	Federaton of Canadian Municipalities
Ms. Elain Duvall	Columbia Housing
Ms. Merilee Robson	Co-operative Housing Federation of B.C.
Mr. Steven Leary	Downtown Eastside Residents Association
Mr. Larry Bantleman	First United Church Social Housing Society
Mr. Mike Walker	Greater Vancouver Housing Corporation
Mr. Jim Woodward	Inner City Housing Society
Ms. May Gutteridge	St. James Social Services
Mr. Jim O'Dea	Affordable Housing Advisory Association
Ms. Linda Mead	Red Door Rental Aid Society
Mr. Michael Clague	Social Planning and Review Council of B.C.
Lt.Col. William Kerr	Salvation Army
Ms. Susan Sanderson	B.C. Federation of Labour
Ms. April English	Entre-Nous Femmes Housing Society

DESIGN & CONSTRUCTION GROUPS

Date: April 7, 1986
Time: 2:00 p.m. to 5:00 p.m.

Ms. Cheryl Williams	Architectural Institute of British Columbia (AIBC)
Mr. Bob Chaplin	British Columbia Real Estate Association
Mr. Keith Sashaw	Canadian Home Builders Assoc. of British Columbia
Mr. D. Purdie	Mortgage Lenders Association of B.C.
Mr. A.J. Lloyd	Pacifica Housing Advisory Association
Mr. Jack Hayes	Rental Housing Council of British Columbia
Ms. Maureen Enser	Urban Development Institute Pacific Region (UDI)
Mr. Bill Kennedy	Greater Vancouver Home Builders Association

PUBLIC SERVICE ORGANIZATIONS

Date: April 7, 1986
Time: 7:00 p.m. to 10:00 p.m.

Mr. Gary McCarthy	United Way of the Lower Mainland
Mr. Ray Louie	Chinese Benevolent Association
Ms. Vera Radio	MOSAIC
Mr. James Matkin	Business Council of B.C.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

SENIORS MEETING

Date: April 5, 1986

Time: 9:00 a.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Present:	Organization
B.D. Bentley	Ministry of Human Resources
Mark Bostwick	Columbia Housing
Dorothy Calvert	Mayflower Co-operative Housing Association
John Chorney	New Chelsea Society
Linda Clark	Shelter Aid for Elderly Rental Program (SAFER)
Madge Sasuari	Seniors 411 Centre
Paul Teichroeb	Residential Rehabilitation Assistance Program (RRAP)
James C. Cosh	Chairman, Social Housing Commission of Inquiry
Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Desmond M. Connor	Social Housing Commission of Inquiry Staff
Gary Reith	Social Housing Commission of Inquiry Staff

1. Introduction

James Cosh introduced the Commission members to the meeting and outlined the Terms of Reference for the Inquiry. James Cosh explained that it was the desire of the Commission to bring social housing issues into focus and requested that the persons assembled assist the Commission in determining such questions as who needs help? what programs work best? and what elements constitute a successful program?

James Cosh introduced Des Connor, who had been requested to act as chairman for the meeting.

Des Connor requested that participants raise any hopes or concerns regarding social housing.

Mark Bostwick asked when the report of the Commissioners would be made public.

James Cosh stated that the Commission would recommend that the report be made public as soon as possible, noting, however, that any decision regarding publication of the report rested with the Provincial Government.

Paul Teichroeb expressed concern that the RRAP program was on hold.

John Chorney asked whether the Commission would be holding similar meetings throughout other regions of the province.

James Cosh responded that the Commission is currently investigating social housing issues in other areas of the province and that the results of these investigations may require that the Commission visit communities beyond the Greater Vancouver area.

Dorothy Calvert voiced her hope that the mistakes and errors of the past and the effort to correct these would be acknowledged. Dorothy Calvert noted that her concern related to the effects of previous mistakes on persons requiring social housing.

John Chorney asked why this particular meeting was restricted to the discussion of Seniors when social housing problems were affecting a wide array of groups.

Des Connor replied that the current meeting was being held to allow for the elderly constituency to address specific housing issues, but noted that the discussion could be broadened.

2. Review of Commission's Understanding of Main Constituency Issues

James Cutt summarized issues related to seniors housing that have come to the attention of the Commission:

1. Supply of housing.
2. SAFER rates/SAFER age limit.
3. Care component of housing.
4. Locational criteria.
5. Design.
6. Homeless seniors.
7. Senior women's special needs.
8. Limit access to Co-op housing.
9. Improve RRAP.
10. Programs to enable seniors to remain in their own homes.
11. Use of Crown land for senior's housing.

Des Connor requested that the participants reflect on these issues and advise the Commission as to whether the issues encompassed the major elements of social housing problems facing seniors.

Paul Teichroeb stated that lack of funds had limited advertising of the RRAP program and that previously RRAP funds have been restricted to certain areas of a community. He noted that the CHMC intended to make RRAP funds available throughout Vancouver in 1986.

Madge Sasuari stated that senior men also had housing problems and expressed concern that senior men had not been listed.

Mark Bostwick raised the issue of security of tenure and the issue of the extent to which an individual had control over his/her living space.

John Chorney supported Madge Sasuari's concern, noting that females seemed to be preferred tenants compared to senior males. He suggested that senior males may lack housekeeping skills, making them less able to care for their surroundings. John Chorney requested clarification of issue #5.

James Cutt replied that issue #5 was intended to be general, including a range of design considerations including the size of the living space and the degree to which a development was integrated.

John Chorney stated that seniors require more than a bachelor apartment.

Paul Bostwick noted that ground-oriented housing and secure housing are important attributes. He further noted that the Co-op movement had acknowledged and advocated a 1-bedroom per person policy for social housing.

Dorothy Calvert stated that seniors need space to store their mementos and explained that seniors who are losing their friends require facilities that permit them to retain contact with their past through enabling the storage of personal belongings.

Byron Bentley stated that the Ministry of Human Resources had attempted to give seniors the opportunity to choose their own housing through the provision of rent subsidies.

James Cutt enquired as to the importance of integrating seniors housing with other users.

Paul Teichroeb expressed the opinion that while many seniors are anxious to move from their homes, they do not want to move out of their neighbourhoods. He also stated that seniors did not tend to make new friends easily.

Madge Sasuari disagreed with Paul Teichroeb, stating that seniors make new friends as do persons in any age group. She noted that community centres provided valuable opportunities to socialize.

Dorothy Calvert stated that many widely held attitudes about the needs and behaviour of seniors are misconceptions. She noted that the Mayflower Co-operative provided a very large number of social activities that are valued by seniors. Dorothy Calvert also explained that some seniors do need to be checked regularly and expressed concern as to how such a program could be established.

James Cosh suggested that the issue of social activities in seniors' social housing developments should be added to the list of issues.

John Chorney stated that seniors preferences as to the preferred housing situation were variable; some preferred smaller developments while others preferred larger developments. John Chorney also noted that 50% of Chelsea House's on-site maintenance manager's job was to conduct a social program.

James Cosh enquired as to the physical facilities provided with seniors housing.

James Chorney explained that Chelsea House had a common area.

Dorothy Calvert stated that the Mayflower Co-op had kitchen areas, facilities where residents could take refreshments and no hotel 'smell'.

Mark Bostwick suggested that as most persons agree that the community aspects of seniors housing are important, that rent supplement programs may be less desirable than providing appropriate social housing facilities for seniors.

Shelley Tratch enquired as to the optimal size of a seniors housing development.

John Chorney replied that the preferred size of a development is a matter of individual taste. John Chorney continued that there were not enough facilities that provided for the transition in housing requirements that often characterizes seniors (i.e., self-contained units, intermediate care, intensive care). John Chorney noted that seniors may not want to have future living arrangements set out for them.

Shelley Tratch enquired as to why housing to provide for the transition in housing requirements has not been made available.

John Chorney suggested that cost was the limiting factor. John Chorney further stated that there is not enough support for seniors who may wish to remain in suburban communities, that seniors should not be shunted off to an area in the city.

James Cosh enquired as to how food services and facilities fit within the scenario of housing services and how much importance food facilities had.

Dorothy Calvert stated that a social committee often organized cooking activities within the Mayflower Co-op and gave uneaten food to other residents.

On another topic, Dorothy Calvert stated that moving created a serious trauma for many seniors and that effort was required in order to promote adjustment of seniors to new living arrangements. She also stated that efforts by Co-op members had succeeded in helping some seniors stay out of nursing homes.

As a result of the above discussion, the list of 11 concerns initially presented by James Cutt were expanded (see attachment). Des Connor requested that the meeting participants reflect on the list of concerns and each member note the 8 most important concerns. As a result of this exercise, the following priority concerns were identified:

- care component of housing;
- sense of community;
- project design;
- control over own housing;
- social activities.

James Cosh requested assistance from the participants in determining how need can be assessed and resources allocated.

Madge Sasuari expressed concern that SAFER rates had not been raised substantially.

Byron Bentley noted that as federal payments to seniors had escalated, the SAFER increases were not considered as necessary.

Dorothy Calvert stated there was a great need for one bedroom units by seniors.

Jim Cosh stated that it would be desirable to have identified this need and to have some mechanism to provide for it.

Mark Bostwick suggested that the Commission recognize that Social Housing expenditures comprised a very small proportion of governmental housing assistance.

James Cutt enquired as to the potential danger of becoming overly generous to seniors relative to other clients.

Mark Bostwick replied that while all groups feel strongly about their particular needs, he could not envision user groups in conflict with one another.

James Cosh cited the reality of the federal debt and the impact of reduced discretionary spending: who should be the beneficiary?

Mark Bostwick stated that some discretionary funds be used to fund programs producing long-term housing benefits.

Paul Teichroeb cited RRAP as a flexible program providing services to seniors living in their own homes and to seniors who rent.

John Chorney stressed the need to direct funds into programs which are demonstrated to be effective and efficient. John Chorney cited the activities of non-profit groups as effective housing programs.

Byron Bentley stressed the importance of adjusting to rapid change. He stated that information gathering mechanisms are limited and the life of many government programs are short. In Byron Bentley's opinion there was a need to develop programs that clearly outlined the responsibilities of different governmental agencies and a need to receive feedback from user groups to evaluate needs.

James Cutt enquired about the construction aspects of social housing.

John Chorney stated that his experience with the "Turnkey" approach was very unsatisfactory, principally due to problems with monitoring.

Dorothy Calvert said that developments should be on public lands. She noted that the design of the units was often inappropriate.

Mark Bostwick expressed his opinion that cost and quality controls are stringent and work fairly well as far as co-op housing developments are concerned.

3. Commission's Issues and Questions for Group Discussion

Shelley Tratch outlined several objectives for social housing that have come to the attention of the Commission:

1. Direct programs only to the needy.
2. Provide balanced community based on incomes.
3. Provide security of tenure.
4. Integrate different user groups.
5. Set regional targets.
6. Locate in acceptable areas.
7. Build good housing as efficiently as possible.

Des Connor requested that the participants list 4 objectives from the above list.

Based on the number of times an objective was listed, the most important objectives were:

- Build good housing as efficiently as possible.
- Provide security of tenure.
- Locate in acceptable areas.

James Cosh enquired about homeless seniors.

Byron Bentley remarked that the Ministry of Human Resources works with the homeless and was of the opinion that the number of homeless seniors was declining.

Shelley Tratch enquired as to the advisability of using shelter allowances or rental subsidies.

John Chorney replied that such programs leave the tenant at the mercy of the landlord.

James Cosh further enquired as to the flexibility offered through the rental subsidy type programs.

Dorothy Calvert responded that rental subsidies are not suitable for persons with special needs.

Byron Bentley stated that the resources of renters are good when there is a competitive mix of available housing.

Mark Bostwick stated the opinion that rental subsidies are expensive, inflationary and do not create new housing. Mark Bostwick cautioned that rental subsidy programs are in danger of being cut back. He further stated that subsidies do not help families with children due to landlord prejudice. Mark Bostwick concluded by urging the Commission to evaluate the experiences of other jurisdictions.

4. Conclusion

Des Connor requested that the meeting participants elect a representative to attend a plenary workshop on April 17. The participants agreed to do so, and the Commission members and staff left the meeting room.

Upon being summoned back into the room, the Commissioners were advised that the following representative had been selected:

Mr. John Chorney
New Chelsea Society
300 - 3640 Victoria Drive
Vancouver, B.C.
Phone: 874-6255

James Cosh thanked all participants for attending.

The meeting adjourned at 12 noon.

RECORD OF WRITTEN MATERIAL GENERATED AT THE MEETING WITH SENIORS GROUPS -- APRIL 5, 1986

Concerns of Seniors

1. Supply of housing by provincial government. (2)
2. SAFER rates -- SAFER age limit. (3)
3. Care component of housing. (6)
4. Locational criteria. (2)
5. Project design. (4)
6. Homeless seniors. (0)
7. Senior women. (0)
8. Limited access to co-op housing. (1)
9. Improve RRAP. (3)
10. Programs to help seniors stay in their own homes. (3)
11. Use crown land for developing seniors' housing. (1)
12. Senior men have more problems than senior women. (0)
13. Security of tenure. (4)
14. Control of person over their housing. (4)
    - authority/power
15. Social activity in seniors' housing is critical to quality of life. (4)
16. Some seniors strongly desire to stay in old community with friends. (3)
17. Sense of community vital -- in central buildings through seniors' centres, by staying in old community. (5)
    - add care facilities to major projects.

List the numbers of up to 8 items which you feel are important.

Note: numbers in brackets following each objective correspond to the number of meeting participants who indicated that the objective was of importance.

Seniors

How allocate limited resources to needs?
- how predict needs

---

*Vast majority of housing assistance goes to those not in need; social housing gets only a few %.

Most effective deliverers of social housing:
- non-profit housing society

We don't know much about seniors' needs; change rapidly programs soon out of step with needs.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

DISABLED GROUPS MEETING

Date: April 5, 1986

Time: 2:00 p.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Present:	Organization
Leona Etmanski	Roof Raisers Housing Society
Glenys Grimsdick	Sunny Hill Hospital
Patty Gazzola	Mental Patients Association
Norman Haw	Canadian Paraplegic Association
Joanne Neubauer	Handicapped Action Committee
Helen Parker	Western Institute for the Deaf
Roman Piontkovsky	Vancouver Association for Children & Adjusts with Learning Disabilities
Doug Robinson	Building Independent Living with the Disabled
Jill Weiss	B.C. Coalition of the Disabled
James C. Cosh	Chairman, Social Housing Commission of Inquiry
Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Desmond M. Connor	Social Housing Commission of Inquiry Staff
Gary Reith	Social Housing Commission of Inquiry Staff

1. Introduction

James Cosh introduced the Commission members and described the mandate of the Commission. James Cosh explained that the Commission had broad powers to acquire information. He noted that while there had been inferences of abuse in social housing programs, these will not be the focus of the Inquiry. Instances of abuse would be evaluated and used as a basis of focus for recommended improvements.

Mr. Cosh requested that the participants assist the Commission in further understanding which shelter arrangements are of greatest benefit, what programs exist for the delivery of services, which programs work well, which programs do not work well and what is the relative importance of needs.

Mr. Cosh introduced Des Connor who had been appointed the Chairman of the meeting.

Des Connor outlined the agenda and requested the participants initiate the discussion by raising any hopes or fears connected with the Inquiry.

Jill Weiss expressed the hope that the Commission's efforts will lead to a program that will enable the disabled to become full members of society.

Doug Robinson expressed frustration over the lack of housing programs for the disabled. His concern was that the Inquiry was yet another in a series of events that would produce no positive results. Mr. Robinson asked about the extent to which the Commission's mandate extended to influencing the nature of the proposed federal-provincial agreements.

James Cosh replied that the Commission hoped to gain a better understanding of what social housing exists and, through meetings such as this, a better idea of need. Mr. Cosh stated that policy options would be submitted to the Provincial government, that these policy options would provide a basis by which to review the proposed federal-provincial agreement.

Doug Robinson stated that timing is a concern, noting that 1986 might pass with no additional housing being provided.

Jill Weiss added that projects have been frozen.

Norman Haws expressed his hopes for an open dialogue.

2. Review of Commission's Understanding of Main Constituency Issues

James Cutt explained the Commission's current understanding of issues facing the social housing needs of the disabled:

1. Scale of the problem -- how many persons are disabled, particularly those residing in rural areas.
2. How much of the problem is related to affordability?
3. Integration of housing with care components.
4. Are Co-ops likely to provide support facilities currently provided by public programs?
5. Importance of integrating the disabled with other groups. Is integration diminished by targeting?

6. Building costs -- where do the alleged savings by private sector development come from?

7. Would a "proposal call" system lower housing costs?

8. Where does the expertise lie for designing housing for the disabled?

James Cutt asked the participants to comment on these issues.

Jill Weiss explained that the problem of identifying the disabled was severe in both urban and rural areas. She stated that disabled people comprise 20% of the total population and from 50% to 60% of low income persons. Jill Weiss further stated that consideration must be given to the various ways in which disabilities limit an individual's ability to obtain suitable housing.

Mr. Haws stressed the need for establishing a province-wide registry of persons in need and a registry of housing stock.

Mr. Robinson noted that BILD had attempted to establish such a registry but was unsuccessful in obtaining provincial support.

Mr. Haws commented that the list of issues should include a "Special Needs" issue, as concerns were broader than simply that of designing housing for the disabled.

Mr. Robinson noted that there was a degree of conflict between cost effectiveness on one hand and housing location on the other. He stated that areas close to suitable services and facilities are typically desirable to all market segments and hence have higher land costs.

Glenys Grimsdick suggested that the issues should include a need for assistance to renovate existing homes.

Patty Gazzola expressed concern that there were no issues relating to the needs of the mentally disabled or of psychiatrically disturbed mothers with children.

Norman Haws suggested that the diversity of needs by various disabled groups should be noted.

Mr. Cosh enquired as to the number of persons having needs for transition oriented housing.

Helen Park replied that children with multi-sensory disabilities face a lack of housing, as do disabled children from the Interior.

Ms. Weiss expressed the opinion that management should be non-profit and connected to the client groups (e.g., a transitional housing service would have a better chance to produce and deliver effective programs if client groups were represented in the management).

Shelley Tratch enquired how management of housing linked to special needs would correlate with integration.

Mr. Haws recounted a project which had identified a complex client group, identified available government programs, approached a co-operative and placed client groups on the board of the co-operative. Mr. Haws explained that this had led to direct client input into the design of a building.

Mr. Cosh asked why developing a provincial registry of needy persons was such a difficult task, and requested clarification of arguments used to counter the development of a registry.

Mr. Haws suggested that the difficulty was largely a matter of cost.

Mr. Robinson added that the establishment of a registry required the co-operation of all disabled groups.

Mr. Robinson expressed concern about the proposal call process. He stated that the rigid time frame of the process did not allow for the planning for special needs nor did it allow for the adequate consideration of care facilities.

Ms. Tratch enquired whether this problem could be addressed by specifying needs to be met by the development.

Leona Etmanski suggested that a number of different client groups need to be involved in the development process.

Ms. Weiss expressed her opinion that housing should be developed to meet certain standards along with a measure of adaptability to respond to client turnover.

Mr. Robinson stated that it might be incorrect to feel that needs can be met through standard design features and criteria. He noted that it was impossible to anticipate the specific needs of client groups, some of whom are not even known at present.

Mr. Cosh asked if it was possible that developing specialized housing might run counter to integration somewhat.

Mr. Haws responded that persons could be found to move into vacated units if appropriate client identification mechanisms were available.

Ms. Weiss stated that the proposal call should be evaluated more than on the basis of cost.

Joanne Neubauer expressed concern that the percentage of housing allocated to the disabled in the B.C. Housing Management report was very low, particularly due to the large numbers of disabled persons coming out of hospitals into the community.

Ms. Weiss stated that disabled persons need to be able to deduct disability expenses before being subjected to the rent to income ratio.

Mr. Haws stressed the need for more coordination among government agencies, developers and the community in defining and meeting client needs.

Ms. Weiss suggested that co-operatives offered the disabled a unique opportunity to have more control over their lives.

Mr. Haws added that co-operatives also give the disabled more self-responsibility, to the benefit of the person and the community.

Roman Piontkovsky stated that young adults with learning disabilities require a transition facility to provide housing between the time that they leave their homes and enter society.

Joanne Neubauer said that the care component for the disabled goes beyond the design of care facilities. Ms. Neubauer raised the problems facing a disabled person who requires a live-in helper, stating that assistance guidelines were inflexible.

Ms. Weiss agreed that there should be more funds available for persons requiring a live-in helper.

As a result of the above discussion, the original list of 8 issues was expanded to 23.

Mr. Connor asked the participants to each list 12 of the issues most important to them.

The group as a whole decided not to participate in the above exercise, although participants did appreciate the Commission's problem in identifying priorities.

Specifically, Ms. Neubauer expressed the opinion that the most important concept to grasp was the need to take an integrated approach in the design and delivery of housing and housing-related services for the disabled. Ms. Neubauer explained that by participating in the exercise of selecting from among the 23 issues presented, they were falling into the trap of approaching need as if it could be addressed on a piecemeal basis.

Ms. Weiss offered to reorganize the list of issues into a more comprehensible format. This was done, with input from the other participants. The revised list is as follows:

1. Targets:

   - all disabilities;
   - care of disabled who are poor;
   - housing needs that are independent of financial considerations.

2. Appropriate Housing:

   - location;
   - whole site accessibility;
   - special management;
   - integrated;
   - care component;
   - transition;
   - flexibility;
   - self-management.

3. Matching People and Housing:

   - registry;
   - co-ordinating mechanism (e.g., support services with funding).

4. Design, Delivery:

   - proposal call: adequate time;
   - private vs. non-profit (builders supervised by persons with expertise in overseeing construction);
   - shelter allowances and housing stock working together;
   - renovations.

Mr. Cosh requested assistance from the participants in allocating scarce resources.

Mr. Haws suggested that the main concerns of the disabled be summarized as follows:

1. Integrate units based on incomes.

2. Totally accessible
   - within the unit
   - within the project
   - within the community

3. Self-managed.

4. Larger allocation of social housing accessible to both wheelchair and non-wheelchair disabled.

5. Registry of needy persons and housing stock; coordinate with government to ensure support services are provided.

6. Ensure there are enough funds available for disabled persons.

Mr. Piontkovsky expressed concern that the transition requirements for persons with short-term housing requirements should be met. He stated that no facilities for young adults with learning disabilities are available.

Ms. Gazzola added that there were several facilities for persons with psychiatric disorders.

3. Commissions Issues and Questions for Group Discussion

Ms. Tratch reviewed seven objectives for social housing which had come to the attention of the Commission:

1. Target on needy.
2. Provide balanced community.
3. Secure tenure.
4. Integrate disabled.
5. Regional targets.
6. Location of housing -- acceptable areas.
7. Build good housing as efficiently as possible.

Mr. Connor requested that the participants each select 4 of the 7 objectives on the basis of which were most important.

The group agreed to participate in this exercise and the objectives receiving the highest ranking were:

- Provide balanced community.
- Integrate disabled with other groups.
- Locate housing in acceptable areas.
- Security of tenure.

4. Conclusion

The group was asked to select one representative to attend a plenary workshop on April 17. The Commission members and staff left the room.

The Commissions and staff were summoned to the meeting room. The group advised that it could not justify the selection of only one representative. As a compromise, the group suggested that one representative and one observer attend the workshop.

The Commissioners agreed to comply with this request.

The selected representative is:

Ms. Jill Weiss
B.C. Coalition of the Disabled
203A - 456 West Broadway
Vancouver, B.C.
Phone: 875-0188 or 685-7094

Mr. Haws requested that the group go on record as supporting the positive aspects of existing programs, specifically co-operatives and group homes. The desire is to improve the effectiveness in the delivery of services.

Mr. Cosh thanked all participants for attending and expressed appreciation for the comments and input.

VERBATIM RECORD OF WRITTEN MATERIAL GENERATED AT THE MEETING WITH DISABLED GROUPS - APRIL 5, 1986

Concerns of Disabled

1. Identification of needs for special housing in rural areas and small communities.
2. Role of shelter allowances. How much of the problem do they solve?
3. The "care component" of housing -- integration with MHR and Health.
4. Would co-op pattern lessen need for MHR/Health support services?
5. How important is integration of housing projects? Very! Is this reduced by targetting through income testing?
6. Building costs -- the developmental costs. Role of private builders. Where do alleged cost savings come from?
7. Would an "open call" system necessarily lower construction costs?
8. Who has the expertise for designing special housing? Does private sector have it? No!
9. Security of tenure.
10. Identification of urban needs incomplete. Disabled are 20% of general population and 50% of low income. Need registry -- clients and housing stock.
11. Disabilities have critical non-income impacts.
12. Location near services.
13. Quality design for handicapped essential after specific needs identified.
14. Need for assistance in renovations.
15. Special needs of children of parents with psychiatric problems -- temporary childcare; transition.
16. Management of social housing must be linked with the needs of the clients.

17. More time needed in proposal and project development process to build in responsiveness to needs of disabled. Evaluation criteria -- special.

18. Percentage of housing allocated to disabled for social housing is very low. Especially important given movement of people out of institutions.

19. Need to subtract disability expenses before calculating income: rent.

20. Method to coordinate interministerial and interorganizational involvement in defining and meeting client needs.

21. Co-op allows decision-making by people who don't have control and responsibility for much of their lives.

22. Need for transition housing -- young adult; leaving hospital.

23. Criteria for assistance for person needing live-in assistant need to be more flexible.

Summary Points

1. Targets -- who

   a) All disabilities.
   b) Percentage disabled of low income.
   c) Housing needs that are independent of dollars.

2. Appropriate housing -- what

   a) All disabilities

      - location;
      - whole-site accessibility;
      - special management;
      - integrated;
      - care component;
      - transition;
      - flexibility, e.g., assistant;
      - self management - co-op.

3. Matching people and housing

   - Registry.
   - Co-ordination -- support services needed -- interministerial and interagency.

4. Design and delivery

- proposal call -- time;
- evaluation criteria;
- who can best do it -- private: non-profit;
- overseeing of construction;
- shelter allowances: building more housing stock;
- working together;
- renovations.

Major Concerns

1. All housing be integrated - disabled
   - income mix

2. Totally accessible - internal
   - project
   - community

3. Tenant - managed (i.e., co-op funding continue).

4. Consistent amount/percentage of every building accessible to wheelchair and non-wheelchair disabled.

5. Registry, leading to targetted housing.

6. Ensure sufficient subsidy dollars.

7. Transition needs -- young adults, those leaving mental hospital-group homes.

Some Objectives for Social Housing

1. Assist only the needy. (3)

2. Ensure balanced community -- income mix; rent supplements. (8)

3. Provide secure tenure; stay in own homes. (5)

4. Integrated disabled into projects. (7)

5. Set regional targets for priority groups. (3)

6. Locate projects in acceptable areas. (7)

7. Build good housing as efficiently as possible. (3)

Note: numbers in brackets following each objective correspond to the number of meeting participants who indicated that the objective was of importance; each participant selected four of the seven objectives.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

WOMEN'S SPECIAL NEEDS MEETING

Date: April 6, 1986

Time: 9:00 a.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Present:	Organization
Geraldine Fordyce	Salvation Army: Kate Booth House
Jan Lancaster	YWCA: Munroe House
Capt. Christine MacMillan	Salvation Army: Homestead/Crosswalk
James C. Cosh	Chairman, Social Housing Commission of Inquiry
Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Desmond M. Connor	Social Housing Commission of Inquiry Staff
Gary Reith	Social Housing Commission of Inquiry Staff

1. Introduction

James Cosh introduced the Commissioners and outlined the mandate of the Commission. Mr. Cosh introduced Des Connor who had been appointed to chair the meetings.

Des Connor outlined the agenda and requested that the participants raise any hopes or feats with regard to the process.

Capt. Christine MacMillan expressed the hope that fears and concerns could be expressed later in the meeting if any arise.

2. Review of Commission's Understanding of Main Constituency Issues

James Cutt reviewed social housing issues that had come to the attention of the Commission regarding women's special needs. These were as follows:

1. Affordability.
2. Availability: day care, security, senior women, emergency services, second stage housing.

3. Integration.
4. Location -- convenience, accessibility.
5. Security of tenancy.

Dr. Cutt invited comments about the issues above.

Jan Lancaster voiced agreement with the issues outlined. She noted that emergency housing services may not fit within the social housing venue. Ms. Lancaster also explained the general array of housing facilities that range from 24 hour emergency shelters to second stage housing which provides housing for up to six months. This type of housing does not provide security of tenure in the sense applied to other forms of housing.

Shelley Tratch enquired as to the type of women who are directed to each type of housing facility.

Ms. Lancaster replied that Emergency Shelter clients included women who had been beaten, raped, released from prison, released from a mental institution or evicted from their homes. Ms. Lancaster explained that client groups for Transition Housing depend on the resources of the community (e.g., Kamloops transition house will accept street people, whereas Vancouver will not because there are more suitable facilities available). Ms. Lancaster stated that Transition Housing placed high priority on battered women.

Capt. MacMillan explained that Emergency Shelters served any person discharged from a facility who had no planned shelter provisions. Capt. MacMillan noted that persons out of province were also served. She explained that Emergency Shelters responded to an immediate crisis, but stated that this mechanism was inadequate for persons with multiple needs (e.g., response is to an initial obvious crisis, but underlying problems may emerge later on).

Geraldine Fordyce explained that there was constant pressure to take hard to house women. Ms. Fordyce described these women as persons without children, typically aged 40 to 55, with little income, limited employment skills and with social or physical problems.

Capt. MacMillan stated that the 'hard to house' women had typically undergone some dramatic change in personal circumstances.

Jan Lancaster noted that the low welfare rates makes it difficult for these women to survive.

Ms. Tratch enquired as to the number of women in the hard to house categories.

Ms. Lancaster replied that the Ministry of Human Resources could provide more information.

Capt. MacMillan stated that a family services bureau in Vancouver reports that the largest number of clients are single women between the ages 40 to 60.

Capt. MacMillan explained that the Salvation Army provided a night program from 12 midnight to 6:30 a.m. She estimated the program serviced 2,000 - 2,500 persons per month, 20% of whom were women.

Mr. Cosh asked what happened to these persons after their leaving the Salvation Army.

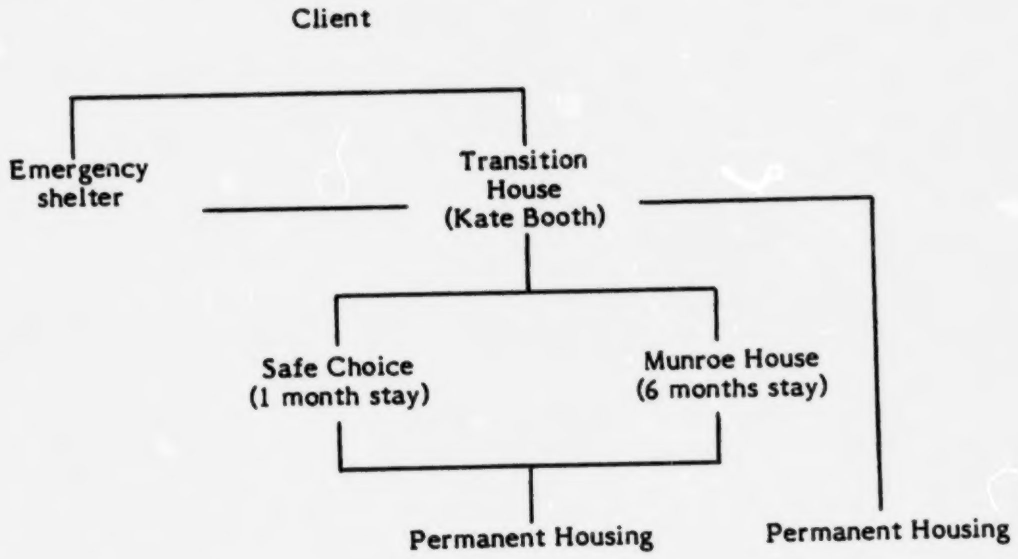
Capt. MacMillan replied that the Salvation Army works with a Ministry of Human Resources worker who is assigned to each client. She explained that a client could only remain for two nights; that this rule was to help ensure that a program for each client is established.

Mr. Cosh asked for an explanation of Second Stage housing.

Capt. MacMillan explained that Second Stage housing provided an intermediate step between Emergency Shelters and permanent housing. She noted that Emergency Shelter could also provide Second Stage housing.

Jan Lancaster stated that there was no Second Stage housing for single women. She explained that Monroe House can only accept women with children, it cannot accept people off the street or people in crisis.

Geraldine Fordyce explained that Kate Booth House provides shelter for battered women and children, but that it also accepts women off the street. Ms. Fordyce produced a schematic diagram which clarified the relationship and function of Emergency and Transitional Housing:


Client
Emergency shelter
Transition House (Kate Booth)
Safe Choice (1 month stay)
Munroe House (6 months stay)
Permanent Housing
Permanent Housing

Capt. MacMillan noted that only a small percentage of women were actually referred to Safe Choice or Munroe House. She explained that Transition Housing must be a small and unassuming dwelling and that the location must be confidential.

Geraldine Fordyce expressed concern that if women cannot find suitable housing, they typically return to the abuser, and the sequence of abuse is repeated. She suggested that the availability of housing could help break this cycle.

Capt. MacMillan described a facility being developed by the Salvation Army. She stated that the facility would provide a mix of treatments and facilities, including six beds for transitional housing. These beds would be available for up to one year.

Des Connor requested that the participants consider whether or not the issues originally listed accurately describes the problem facing women with special needs.

Capt. MacMillan suggested that the phrase "familiarity of neighbourhood" be appended to issue #4 -- Location.

Mr. Connor requested that each participant choose four priority issues.

The result of the process showed that there was no particular issue that was assigned high priority relative to the other issues.

Jan Lancaster noted that the co-op housing format appeared preferable to that offered by the BCHMC, according to her experience. Ms. Lancaster also stated that the size of the development was related to its desirability, with large developments less desirable (e.g., 400 Campbell Avenue).

Capt. MacMillan suggested that the Commissioners visit Franklin House, a facility run by the Greater Vancouver Housing Management Corp. and further suggested they contact the Ontario Housing Corporation for advice on what not to do (e.g., large monolithic housing developments).

Mr. Cosh requested that the participants assist in identifying priorities by which to allocate scarce funding resources.

Capt. MacMillan emphasized the importance of different user groups working together to ensure that the loudest voice doesn't acquire most of the funds.

Mr. Cosh asked how to determine a quantified statement of need, noting that groups present at previous meetings had experienced some difficulty in doing so.

Capt. MacMillan noted that there was a danger of double counting when attempting to quantify need.

Ms. Tratch enquired as to the existence of a registry of persons requesting and using Emergency and Transition housing.

Ms. Lancaster stated that the Society of Transition Houses keeps some records.

It was requested by the Commissioners that the Salvation Army register its support for joint planning in writing to the Commission.

3. Commission's Issues and Questions for Group Discussion

Ms. Tratch provided a list of objectives for Social Housing:

1. Target on the needy.
2. Provide a balanced community.
3. Provide security of tenure.
4. Integration with other groups.
5. Set regional targets.
6. Building in acceptable areas.
7. Build good housing efficiently.

The participants were asked to each choose four objectives that were of highest priority. The objectives receiving the highest priority were:

- provide balanced community;
- build in acceptable areas;
- provide security of tenure;
- target on the needy.

4. Conclusion

The participants were asked to select a representative to attend a plenary workshop on April 17.

The Commission members and staff left the meeting room.

Upon being summoned, the Commissioners were advised of the group's selection:

Ms. J. Lancaster
YWCA: Munroe House
P.O. Box 33904
Station D
Vancouver, B.C.
Phone: 734-5722

Mr. Cosh thanked all participants for attending and expressed appreciation for their input.

RECORD OF WRITTEN MATERIAL GENERATED AT THE MEETING WITH WOMEN WITH SPECIAL HOUSING NEEDS -- APRIL 6, 1986

Core Concerns

1. Affordability

   - Income statistics for women. (2)
   - Most single parent families headed by women.

2. Availability: Special Needs

   - Daycare facilities.
   - Security and safety. (2)
   - Senior women. (1)
   - Emergency shelters 24 hour transition house (3) 15 days - 30.
   - "Second stage" housing up to six months, after emergency shelter.
   - Permanent housing for women with special needs. (2)

3. Integration

   - Avoid ghettoization in large public projects. (3)

4. Location

   - Convenience of location. (2)
   - Access to services, transit.
   - Familiarity -- neighbourhood.

5. Security of Tenancy (2)

6. Special needs are often multiple needs, e.g., battered woman may also have chemical dependency and/or psychiatric problems -- no second stage housing.

7. Single women are hard to house -- teen to 55, esp. 40

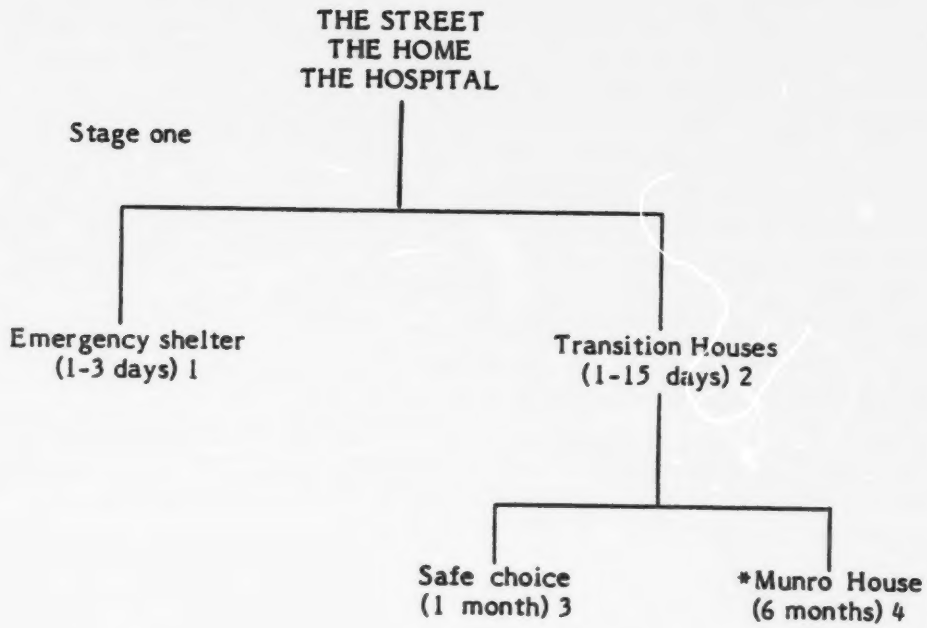
   - Welfare rate very low -- $325/month. (2)
   - Largest number of MHR clients.

8. Sudden change in circumstances -- from comfortable lifestyle to trauma - battered, marriage broken-up, instant poverty, no experience in their new environment (1)

   - Transition period critical.
   - Support needed during treatment -- keep apt.

Note: Numbers in brackets correspond to the number of meeting participants who indicated that the objective was of importance.

Women with special housing needs


THE STREET
THE HOME
THE HOSPITAL
Stage one
Emergency shelter
(1-3 days) 1
Transition Houses
(1-15 days) 2
Safe choice
(1 month) 3
*Munro House
(6 months) 4

Transition houses need anonymity.

Women with special housing needs

How allocate scarce resources

- Joint planning by representatives of various constituencies, i.e., seniors, disabled, women with special needs, low income people, etc.
- "My" area becomes "our area".
- Peer monitoring by continuing committee work of constituency representatives.

Estimates of need

e.g., for single middle-aged women.

Some objectives for social housing

1. Assist only the needy. (2)

2. Ensure balanced community. (3)
   - income mix; rent supplements.

3. Provide secure tenure; stay in own homes. (2)

4. Integrate disabled into projects. (1)

5. Set regional targets for priority groups.

6. Locate projects in acceptable areas. (3)

7. Building good housing as efficiently as possible. (1)

Numbers of up to 4.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

LOW INCOME HOUSEHOLDS

Date: April 6, 1986

Time: 2:00 p.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Present:	Organization
Hugh Creighton	Creighton Property Management
Elain Duvall	Columbia Housing
Sharon Folkes	Vancouver & District Public Housing Tenants Association
Henri Lock	First United Church Social Housing Society
Jane MacFadgen	First United Church Social Housing Society
Margaret Mitchell	Vancouver & District Public Housing Tenants Association
Derek Murphy	B.C. Housing Coalition
Jeanne Murphy	Downtown Eastside Residents Association
Merrillee Robson	Canadian Housing Federation/B.C.
Susan Sanderson	B.C. Federation of Labour
Shirley Schmid	Co-op Housing Federation of Canada
Eric Thomas	Affordable Housing
Stuart Housing	Affording Housing
Mike Walker	Greater Vancouver Housing Corporation
Jim Woodward	Inner City Housing
James C. Cosh	Chairman, Social Housing Commission of Inquiry
Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Desmond M. Connor	Social Housing Commission of Inquiry Staff
Gary Reith	Social Housing Commission of Inquiry Staff

1. Introduction

James Cosh introduced the Commission members and explained that the terms of reference for the Commission are to enquire into the effectiveness of the delivery of social housing in B.C. in serving those most in need of assistance. Mr. Cosh requested that the assembled participants assist the Commission in determining current needs, what social housing programs work best and what are the most important elements of the assistance needed. Mr. Cosh introduced Des Connor as the chairman of the meeting.

Mr. Connor outlined the agenda for the meeting and asked participants to voice any hopes or concerns they may have regarding the Commission.

Shirley Schmid expressed concern about her failure to understand the purpose of the Commission and the impact of its recommendations on the federal-provincial negotiations. Ms. Schmid asked if the Commission would be advising the Province regarding its future role in social housing, and expressed further concern regarding the short time frame for the Enquiry.

Mr. Cosh replied that the Commission would provide information with regard to the signing of the federal-provincial agreement. He voiced confidence that the Commission could consolidate various concerns about social housing and stated his opinion that the province was in fact seeking further guidance regarding its prospective role in the provision of Social Housing.

Margaret Mitchell expressed her fear that social housing would be privatized.

Ms. Schmid noted her uncertainty about the political impact of the Commission's findings while at the same time acknowledging that the Commission had no control over this.

Elain Duvall was concerned that the Commission's policy options would be submitted to the province on the same day that the federal-provincial agreement is to be signed. This would leave no time to evaluate the policy options.

Mr. Cosh alluded to the generality of the agreements and suggested that the signing of a global agreement would leave a wide latitude to develop further guidelines.

Jim Woodward expressed skepticism about the Commission. He noted that the CMHC had conducted an extensive evaluation of Social Housing and that his organization had already been involved in extensive negotiations. Mr. Woodward expressed the opinion that the hasty Commission process bore no relationship to the previous initiatives.

Mr. Cosh replied that there may be some uncertainty about CMHC's findings. He reiterated that the Commission wanted to put into perspective the overall needs for social housing in B.C., noting that the question of need had not been resolved and that there is concern about the extent to which current programs effectively deal with those who need assistance most.

Mr. Woodward responded that programs are already targetted to the lower two income quintiles.

Mr. Cosh replied that some persons who were not in the lower two income quintiles also had needs not being met.

Derek Murphy expressed his fear that the Commission could not alter the agenda of the B.C. government, as the government has already established its preferred direction for social housing.

Mr. Murphy asked if the date for the signing of the federal-provincial agreements had been set.

Mr. Cosh replied that he was uncertain of the signing date.

Stuart Thomas voiced skepticism about the impact of the Commission in view of the political and negotiating context of the federal-provincial negotiations.

Mr. Connor reviewed the agenda.

2. Review of Commission's Understanding of Main Constituency Issues

James Cutt presented 18 issues and concerns pursuant to social housing for low-income groups that have come to the attention of the Commission. (Note: these concerns and the subsequent additional concerns generated by the participants are shown in the attachment). Dr. Cutt requested that the participants consider these issues and advise the Commission about the extent to which these issues accurately represented their concerns.

Margaret Mitchell advised that there was no mention of increasing the amount of social housing. She stated that the issue of increasing the percentage of income to rent from 25% to 30% was of real concern to the poor. Mrs. Mitchell expressed great concern for the fact that poor people cannot obtain suitable public housing and expressed satisfaction with the project in which she resides.

Ms. Schmid asked how the Commission determines the quality of information being received.

Shelley Tratch replied that legal council would be conducting investigations to evaluate alleged abuses of social housing.

Mr. Cosh also noted that meetings such as this one were of assistance in evaluating information.

Ms. Schmid stated her opinion that the expenditure of public funds should lead to the acquisition of public facilities, becoming a permanent asset to the community.

Ms. Duvall expressed concern over issue of who is to own public housing. She urged the Commissioners to consider the benefits of building a long-term supply of affordable housing and suggested that meeting short-term needs through minimal expenditures was the wrong approach.

Mr. Derek Murphy stated that the debate on housing policies usually ignored the large subsidies provided to homeowners (e.g., homeowner property tax rebate) and urged that these be included within the purview of the Commission.

Mr. Murphy urged the Commission to draw a distinction between development and construction, the former takes longer term needs into account and is a context for viewing housing as a living environment. Mr. Murphy also expressed the opinion that tenant participation was an important issue.

Mr. Woodward notes that 20 to 30 years of private market programs are hardly ever scrutinized (e.g., the Ltd. dividend) and hoped the Commission would do so.

Stuart Thomas urged the Commission to be very clear in identifying the role of the private sector in the development stage of a new social housing program/project. Mr. Thomas stated that it would seem necessary for the Commission to establish objectives for social housing in order to evaluate policy options.

Mike Walker expressed concern over the role of the private sector in social housing. He stated that the location and quality of social housing can be used as a political tool, and expressed dissatisfaction with the A.C.E. program.

Mr. Cosh requested clarification of Mr. Walker's point, asking that if the objective is to provide housing, what is the difference in providing money to a developer vs. a municipality -- will there not be abuses in either case.

Mr. Walker responded that the politicization of social housing was a major concern.

Margaret Mitchell stated that her group's experience in planning for small size housing projects was that such projects did not respond to needs quickly enough. Ms. Mitchell also stated that income level alone is not an adequate measure of need.

Mr. Cosh asked if Ms. Mitchell assumed that it was cheaper to build a large size development and if she preferred large size developments over small projects.

Ms. Mitchell stated that large-size projects were provided more quickly. She also expressed her personal preference for large size developments.

Mr. Walker disagreed, stating his experience that persons found large social housing developments less desirable than smaller developments.

Derek Murphy expressed fears that the allocation of housing would be politicized. Mr. Murphy emphasized that housing should be built where the need exists. He noted that as the bidding process has become more open, the quality of construction has declined.

Shirley Schmid stated that the lowest bidder approach is leading contractors to under-tender. The consequent bankruptcies of some contractors during the development process has caused problems for Columbia Housing.

As a result of the above discussion, the original list of 18 issues presented by Dr. Cutt was expanded to 30. Mr. Connor requested that each participant list a maximum of 12 issues that were of greatest importance. Mr. Connor explained that this process was a tool to focus discussion on key issues.

The meeting participants expressed reluctance to undertake the above exercise.

Jim Woodward complained that the consultative process used by the Commission duplicated previous initiatives.

Mr. Cosh replied that the establishment of the Commission reflected dissatisfaction with previous efforts. Mr. Cosh further emphasized the desire of the Commission to produce an objective report, and that the Commission wanted to gain from the low income group a better understanding of priorities.

Derek Murphy expressed concern that the 30 issues listed did not reflect his own priorities, which were rather more global.

Mr. Cosh requested that the participants focus on issues specific to low-income groups for this specific exercise.

Stuart Thomas stated his fear that the results of the exercise would be construed as survey and publicized as such.

Elain Duvall stated that 12 issues were not enough.

Susan Sanderson expressed suspicion about the Commission. Her opinion was that the B.C. government is already committed to a direction for social housing and that the B.C. Federation of Labour did not want to be listed as an organization participating in a process that does not reflect any of the input.

Ms. Schmid stated that the groups present could be of most assistance if the Commission would specify what questions it wants answered; the groups could respond in a brief.

Mr. Cosh stated that while briefs provide important information, they tend not to emphasize key issues.

Jan MacFadgen stated that the wording of the issues was awkward in many cases, making it difficult to respond. Ms. MacFadgen suggested that each participant phrase his/her own top 12 issues.

Hugh Creighton stated his opinion that the personal growth aspect of persons living in projects had been ignored in the list of issues.

It was finally agreed that each participant would list 12 key issues from the list of 30 presented. It was further agreed that each participant would reserve the right to modify the wording of the issues.

The following issues received top ranking as a result of the exercise.

- Design and quality control.
- Supply permanent housing stock/produce a public asset.
- Provincial commitment to supply of housing.
- Integration.
- Separate supply cost from low income cost.
- Security of tenancy.
- Location.

3. Commission's Issues and Questions for Group Discussion

Ms. Tratch listed seven objectives for social housing:

1. Assist only the needy.
2. Ensure balanced community.
3. Provide security of tenure.
4. Integrate the disabled.
5. Set required targets for priority groups.
6. Locate projects close to services.
7. Build housing as efficiently as possible.

Mr. Connor asked the participants to choose 4 priority objectives.

Mr. Murphy suggested that Objective #1 be reworded to read "Assist the needy consistent with other social objectives".

It was agreed that non-profit ownership of public housing would be an eighth objective.

Ms. Mitchell expressed concern about persons with multiple needs.

Ms. Duvall noted that the definition of needy is changed to suit changing budgets.

Mr. Thomas asked how needy are to be defined.

Merrillee Robson stated that in defining need other deserving groups such as the working poor must be included.

Ms. Sanderson felt that the objectives were too "loaded".

At the request of the meeting, Shelley Tratch reviewed the objectives. Ms. Tratch acknowledged that evaluating the objectives would prove difficult but nonetheless requested that the group make the attempt.

(Note: Mr. Woodward left the meeting at this time).

The meeting participants agreed to participate in the exercise and the following objectives received the highest priority:

- Integrate disabled.
- Secure tenure.
- Balanced community.
- Build efficiently.

Mr. Cosh requested clarification on the objective of targetting assistance to the needy.

Derek Murphy replied that targetting itself is not a problem; the problem is with rigid definitions that restrict social housing to the poorest.

Mike Walker stated that the need for social housing is not dependent on income alone.

Ms. Mitchell emphasized that the very needy are not getting into social housing enough; nevertheless, this does not mean that other needs should be ignored.

Stuart Thomas stated that the ability to target was a function of the funds available.

Mr. Cosh expressed surprise that more emphasis was not given to housing rehabilitation (RRAP) programs.

Derek Murphy suggested that the lack of emphasis on RRAP may reflect the fact that RRAP is more important in rural areas whereas the groups present had an urban focus.

Mr. Cosh requested input from the participants regarding the priorization of social housing programs.

Margaret Mitchell expressed dissatisfaction with the prospect of cutting funds for one group in favour of another. She stated that as no social housing had been built for 8 years, the Canadian people are entitled to 8 years worth of housing.

Derek Murphy said that groups cannot afford to be divisive. He suggested that across the board quotas would be one approach.

Mr. Cosh expressed his hope for further suggestions as to the establishment of funding priorities in order to avoid the scenario where the most vocal lobby groups succeed in obtaining most of the funds.

Upon further consideration of the objectives for social housing, Ms. Duvall suggested that ownership of social housing should be among the objectives.

Henri Lock asked the meeting to express support for non-profit ownership as an important objective.

By hand vote it was agreed by the representatives of low income housing organizations to include the statement "Non-profit ownership of housing" as an objective of social housing.

Derek Murphy strongly recommended that the Commission investigate alleged abuses.

Mr. Cosh agreed this should be done, but stressed that such investigations would be oriented to assessing implications of these abuses on program effectiveness.

Elain Duvall suggested that before looking into the effectiveness of different programs, the Commission should ensure that the objectives of the programs are clearly understood.

Mr. Cosh agreed, noting the common misconception among the general public that co-operative housing and low income housing were one and the same.

Ms. Duvall also expressed concern that the Commission would not publicly discredit alleged abuses if these are proven to be unfounded or exaggerated.

Mr. Cosh acknowledged Ms. Duvall's position.

Ms. Tratch reiterated that alleged abuses will be investigated but that the forum used to investigate these had not been determined.

Mr. Cosh expressed concern that a public hearing may lead to unfounded accusations to be widely publicized.

Ms. Sanderson stated that she would be unhappy if no public hearings were held.

4. Conclusion

Commission members and staff left the meeting room in order that the remaining participants could appoint a representative to attend a plenary workshop on April 17.

After being summoned to the meeting, the Commissioners were advised that the interests of low income groups fell into four constituencies. For that reason, the group could not choose only one representative. Instead, four persons were elected to attend the plenary session:

Non-Profit Housing - Mr. Derek Murphy
B.C. Housing Coalition
468 East 38th Avenue
Vancouver, B.C.
Phone: 931-2451 or 324-8700

Co-op Housing - Ms. Shirley Schmid
Co-op Housing Foundation of Canada
#202 - 2250 Commercial
Vancouver, B.C.
Phone: 255-7733

Municipal - Mr. Mike Walker
Greater Vancouver Housing Corp.
4330 Kingsway
Burnaby, B.C.
Phone: 432-6300

Public Housing - Ms. Margaret Mitchell
Vancouver & District Housing Tenants Assn.
#12 - 246 East Broadway
Vancouver, B.C.
Phone: 872-8648

Mr. Cosh agreed to comply with the request to have four representatives attend the plenary session.

To conclude the session Mr. Cosh thanked all participants for attending.

RECORD OF WRITTEN MATERIAL GENERATED AT THE MEETING WITH GROUPS CONCERNED WITH LOW INCOME HOUSEHOLDS -- APRIL 6, 1986

Needs:

1. Definition of need (define to include social), (what basis for targets?) (4)
   Income level?
   Other criteria?
   Affordability - focus on $ (demand).

2. Role of rent supplements/shelter allowances (2no!) (1)
   GAIN/SAFER -- limited

   - rates, eligibility criteria.

3. Role of a permanent housing stock (8)

   - new buildings +#22
   - adaptation of old buildings.

4. Role of RRAP.

   Availability: focus on supply

5. Insufficient Provincial commitment to permanent housing stock. (8)

6. Care component of housing (2)

   - relation to other (MHR/Health) services.

7. Security of tenancy (8)

8. Community control (8)
   Integration: sense of mixed community (avoidance of ghettoes), live in own income range, smaller projects.

9. Location (7)

   - convenience;
   - ease of access to services/transit;
   - familiarity;
   - cost should not dictate location.

10. Design and quality control criteria (9)

- avoidance of large scale complexes;
- special needs;
- private sector needs monitoring to ensure quality is realized;
- include resident input.

Low income households

11. Development/construction/management mechanisms (2)
use of "proposal call" system superior to public tender.

12. Role of private sector in construction (1)

- non-profit organization;
- more cost effective;
- most effective method.

13. Need for "start-up" funds for non-profit/co-op proponents (4)

- start up & remove need for profiteering to stay in business.

14. Role of co-op development/construction and management (2)
role for com. organ. in development and management of social housing is high priority.

15. Provincial/Municipal (regional) co-operation in planning construction (3)
New Federal/Provincial Agreement

16. Retain objectives of 56.1

- variety;
- co-op;
- balanced communities.

17. SAFER/GAIN contributions should be excluded from provincial 50% share (3)

18. Co-op component of new agreement should continue to be administered directly by Federal government (5)

19. Build more public housing. (2)

20. Rent should be 25% at most, 20% preferably. (2)

21. Don't object to ghettoes - not enough housing for poor. Difficult for poor to get housing. (2)

22. Capital funds spent should result in getting public assets -ownership of housing +#3 (8)

23. Don't confuse investment in supply with expenditures on income assistance to the needy -- long term/short term. (3)

24. Major subsidies to home owners often unrecognized and not reviewed. (1)

Low income households

25. Distinguish between development and construction concern with total and long term needs. (4)

    - concern with tenant participation-forms of co-operation.

26. The private sector can play a role if develop. carefully defined in stage of a social housing program/projects. (3)

27. Com. needs to establish objectives for social housing. (4)

28. Joining social housing and private sector -- inappropriate allocation -- location, quality

    - politicization also a danger.

29. Land use limitations make public housing difficult to obtain. (2)

30. Cost competition plus strong quality controls leads to bankruptcy of developers - underbidding.

Some Objectives for Social Housing

1. Assist only the $ needy. (1)

2. Ensure balanced community. (9)

    - income mix; rent supplements.

3. Provide secure tenure; stay in own homes. (10)

4. Integrate disabled and families into projects. (11)

5. Set regional targets for priority groups. (3)

6. Locate projects in acceptable areas. (7)

7. Build good housing as efficiently as possible. (9)

List the numbers of up to 4 items you feel are most important.

Note: numbers in brackets following each objective correspond to the number of meeting participants who indicated that the objective was of importance.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

DESIGN AND CONSTRUCTION GROUPS

Date: April 7, 1986

Time: 2:00 p.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Minutes of meeting held with representatives of the design, construction, development, lending and labour community.

The following people were in attendance:

Present:	Organization
Mr. Brian Palmquist	Architectural Institute of B.C.
Mr. John Currie	Architectural Institute of B.C.
Mr. Bob Chaplin	B.C. Real Estate Association
Mr. Keith Sashaw	Canadian Home Builders Association
Mr. Ross Gentleman	B.C. Central Credit Union
Mr. Allan McMurray	B.C. & Yukon Territory Building and Construction Trades Council
Ms. Maureen Enser	Urban Development Institute
Mr. Tony Lloyd	Pacifica Housing
Mr. Gordon Cameron	Greater Vancouver Home Builders Association
Mr. Ron Schuss	Rental Housing Council of B.C.
Mr. James C. Cosh	Chairman, Social Housing Commission of Inquiry
Ms. Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Mr. Desmond M. Connor	Social Housing Commission of Inquiry Staff
Ms. Verna Semotuk	Social Housing Commission of Inquiry Staff

1. Welcome and Introduction

James Cosh welcomed the participants, and outlined the Commission's mandate and approach. The meeting was then turned over to Des Connor, who outlined the agenda for the afternoon, and asked for response to the agenda, or expressions of expectation or doubt about the imminent meeting.

Enser: The UDI hopes that former studies and submissions attached to them will be taken into account. Also expressed concern that the time frame for this Commission is inadequate, given the enormity of the task.

Cosh: Recognized that the time frame was very short, and therefore the Commission is planning to submit an interim report by April 22nd, and this report will provide an overview of needs, with policy options outlined.

Cameron: Thought that the BCHMC report was rational, with a good understanding of what is required. The Greater Vancouver Home Builders' Association endorses the report and supports its ideas.

McMurray: Received very late notice of the meeting. Looking around the room, the Trades Council feels rather "outnumbered" by other community interests present. The Council will be making a written submission to the Commission.

Cosh: Apologized to everyone for the late notice of these meetings, but the compressed timetable for the Commission made this necessary. For those groups intending to make a written submission, these meetings might help clarify the issues which the Commission will be reviewing.

2. Presentation of Issues

Dr. James Cutt presented about a dozen issues which the Commission understands are concerns to the constituencies which the people present represent. These issues were identified by reviewing submissions to the B.C. Housing Management Commission and through having talked to some people in the industry. Once the issues were presented, the meeting opened up for discussion/revision/correction of these issues.

1. Affordability: Demand-side solutions appear to be a favoured approach among the industry.
2. Availability: To reduce long-term costs and debt, existing social housing stock should be sold.
3. Availability: Ensure adequate supply of mortgage credit for building social housing.
4. Availability: Increase mortgage credit for renovation/rehabilitation.
5. Provincial/Federal/Municipal Co-ordination: All agencies involved in housing policy should have formal channels through which to co-ordinate planning

6. Integration is important (income-mix).
7. Achieve integration by constructing small infill projects targeted to low-income groups.
8. Private sector should have full opportunity to participate in the development, construction and management phases of social housing projects.
9. Private sector has specific expertise in providing social housing.
10. Proposal-call method is preferable to alternatives.
11. Eligibility criteria should be tightened for co-op housing in order to sharpen targetting.
12. Independent management consultants should review management methods in CMHC.

3. Response from Participants

Lloyd: Any subsidy program must be well-targeted, and this is a concern common to both the public and private sector. Studies have indicated that demand-side solutions are good to a point, but that they are inadequate in themselves.

Currie: In B.C. rent supplement programs have been shown to be a poor solution.

Gentleman: Yes, intervention other than rent supplements is always necessary.

Cameron: Rent supplements may not be the whole solution, but their virtue is that they can reach a lot more people than can new construction. That is, in one year you can put rent supplements in the hands of a lot more people than you can provide with a unit.

Chaplin: The problem is monitoring these rent supplement programs. How do you get recipients off these programs once need has passed?

Currie: The success of the co-op housing program is its integration effect. It has removed the stigma attached to social housing. Furthermore, another important benefit is that it addresses the very concern that Mr. Chaplin has just raised. (Rent fluctuates as income fluctuates).

Palmquist: There is also a considerable turnover in co-ops, which shows that people "move on" from these programs. Turnover rate is an important criterion of success of the co-op program, especially if the move out is a step "up" in the housing market.

Gentleman: Selling social housing stock is contrary to a goal of getting a long-term supply of good, permanent housing stock that is affordable. A distorted economic analysis can show that long-term costs are high if you extrapolate (straight-line) using 18% 1985 interest rates.

Chaplin: To whom will the housing stock be sold, and at what price? "Dumping" a lot of units on the market at one time will create a flurry that will cause prices to fall drastically. This move could then be interpreted as a way of subsidizing home ownership.

Lloyd: Selling off existing social housing stock is wrong. To remove this housing from the public sector is a disservice to users, and you pre-empt all possibilities of using that stock for future options (higher density, for example). A large percentage of housing must be kept in the rental sector, and to keep it affordable, we must keep all existing stock and continue to add to it.

Chaplin: Even if the social housing units were put on the market, they would still be social housing under private ownership if restrictions were put on rent levels. This option would demand preferred mortgage rates for the new owners of these units -- government intervention is still required here.

Palmquist: Disagrees that integration can be achieved through small low-income projects (infill or otherwise) in the community. No matter the scale of the project, if it's a homogenous resident population, it will still be a "ghetto" or perceived as such in the community. Especially if it's an infill project, it's a kind of "intruder" and will be closely examined by the neighbourhood into which it is introduced.

Enser: Nevertheless, infill social housing works better than large projects. Infill projects can be designed to blend in with the existing neighbourhood.

Currie: An overall mix of housing types is necessary, and this is obviously easier to do if you start with a "blank sheet" as in B.C. Place or in Champlain Heights.

Sashaw: Supports the concept of bulk leasing for fifteen year periods. For example, if thirty units of a 100-unit project could be leased, these units would provide a flexible supply of social housing units. If in fifteen years' time, needs have changed, the lease would be allowed to lapse. This can be used for both existing or newly-constructed units, and it's a good option for people requiring income assistance.

Gentleman: The net results of this bulk-leasing option is higher cost in the long run. The initial costs are lower, but after the lease-term expires there is no affordable housing stock that exists and the capital costs for providing such in fifteen years is sure to be higher.

Palmquist: Yes, we have to be careful about comparing apples and oranges here when we talk about cost-efficiency. It's a mistake to look at a 35-year mortgage cost as being a 1985 high interest rate simply multiplied by 35. This method falsely inflates the cost of the social housing unit if you compute in this manner.

Cameron: Surely new seniors' projects could benefit from bulk leasing. At the end of a thirty-five year mortgage term for co-ops, what happens to them? Who owns them?

Gentleman: The co-op will still own the housing at the end of this time. Many of the co-ops are on leased land, in which case the housing stock is refinanced. None of the profit can go to the residents. If the stock is sold, rather than refinanced, the profit would go to another non-profit organization with similar aims in its constitution.

Lloyd: There is a co-op in Champlain Heights which is near the end of its mortgage term -- its profits will not be split among current residents.

Cosh: We need to find a definitive answer to this question, perhaps from the Ministry of Consumer and Corporate Affairs.

Chaplin: What does a proposal call system mean?

Cameron: This system provides for competition and therefore ensures lower costs. Tendering is more rigid in that the developer sets out the parameters for the project and defines all aspects of the project, then simply lets the contractors make bids on how best to meet these requirements. The industry generally feels that one cannot improve on the existing proposal call system and that it should be retained.

Sashaw: It's the most cost-effective, although developers may not prefer it because of bankroll considerations.

Enser: The UDI supports the proposal call method.

Currie: Social housing sponsored by the provincial government is using the proposal call method. Co-ops instead use a "ground-up" method in which the core membership will put a project up for tender (or for an "expression of interest"). It's extremely important not to confuse these methods of delivery. The proposal call method has merit, but is only more attractive in a slow economy. When the economy picks up, this method will attract fewer competitors and in the long run, social housing costs can rise because of this.

Cameron: The design tender process is not acceptable to the industry.

Palmquist: Every method has its horror stories. The problems can occur independent of the method of procurement.

Cosh: We need clarification on the differences between proposal call, tender, and design build.

Currie:

a) In design tenders, the sponsor group hires an architect or designer to fill the requirements of the project as already defined by the group. Then the plan is put out to public tender after the architect has produced a design. General contractors respond, and the architect is retained to supervise the project throughout its construction.

b) A "modified" proposal call method is used by co-ops. The non-profit or co-op resource group can come up with a design (or ask the developer to do so) and then this proposal is put out for an expression of interest to a few number of contractors.

c) Proposal call method: the client can call for a land and building proposal, or for a project (building) only, if the land is already owned. The client prepares a plan for the project, and interested developers respond with designs and prices. The upper threshold of cost is the Maximum Unit Price (MUP) set by CMHC, in the case of co-ops. This is true for the modified proposal call method as well.

4. Priority-Setting for the Roster of Issues/Concerns

Des Connor led the meeting through an exercise which would help identify the most important issues to the participants, and to the constituencies they represent. To the twelve issues listed in Section 2 of these minutes, the group added another three. They were:

13. The turnover rate in co-op residency can be used as a measure of success in evaluating the co-operative form of tenure as meeting its objectives, especially if it can be shown that residents move "upward" into the housing market once they have left the co-op.

14. Bulk leasing is an option that deserves more study, as it may provide the flexibility required as housing needs change. It may be most appropriate for seniors' housing.

15. The quality of social housing is an essential aspect of long-term cost-effectiveness.

Of these fifteen issues/concerns, the following six received the greatest weighting: Numbers 15, 6, 5, 1, 8 and 10 (in that order).

Cosh:	Would like clarification of the first priority -- inter-governmental co-operation.
Lloyd:	Municipalities control zoning and rezoning, development permit processes, and the supply of land to some extent. Councils vote on the basis of political expediency quite often, and this may not be compatible with social housing needs or good policies to meet those needs.
Palmquist:	Municipalities have higher expectations of social housing projects than of market housing -- there is a sense of greater responsibility to the public with social housing. With location and design criteria more stringent, housing budgets can be sorely tested.
Tratch:	Income mix was indicated as being very important. How do we achieve this?
Currie:	Internal subsidies are a good method. Deep and moderate subsidies, and Low End of Market (LEM) rents are a good way of ensuring an income mix within a project.
Cutt:	Does the private sector want to participate more in certain phases of developing and constructing social housing?

Enser: The proposal call system will help guarantee that the private sector is involved right from the start.

Schuss: The Rental Council of B.C. supports rent supplements, as this achieves a healthy income mix in the community by giving users the choice of project and location.

Gentleman: Getting back to Mr. Currie's statement of subsidies, it's important to note that non-profits adopt similar tactics as co-ops with with their rent-geared-to-income (RGI) units. These are in effect a way of allocating deep and moderate subsidies.

Cosh: Is renovation/rehabilitation of properties an issue? New facilities can often displace good existing stock. Therefore, rehabilitation programs can be very useful as they can provide good social housing stock, perhaps at lower cost than new construction.

Currie: Rehabilitation programs are not terribly cost-effective, e.g. Manhattan Apartments.

Cameron: The proportion of social housing units that these rehabilitated units represent is so low as to be negligible.

Lloyd: The guidelines for social housing often prohibit the provision of social housing units by this means. Most renovations are high-grade and in fact can decrease the number of affordable units available. The net result can be gentrification in this case.

Sashaw: The whole notion of "sweat equity" should be explored further.

5. Objectives for Social Housing

For the consideration of the participants, Shelley Tratch presented seven objectives for social housing. These objectives had been collated from material in the report put out by the B.C. Housing Management Commission.

1. Assist only the needy.
2. Ensure a balanced community (income mix).
3. Provide security of tenure.
4. Integrate the disabled, families and seniors into the community.
5. Set regional targets for priority groups.
6. Locate projects in acceptable areas.
7. Build good housing as efficiently as possible.

Des Connor again led an exercise in which participants were asked to rank the above objectives. The group ranked them as follows (in order or priority): Numbers 2, 1, 4, 7, 6, 3 and 5.

Cameron:	The two highest ranked goals are contradictory. This is always the problem.
Cosh:	We've been told that there are about 25,000 social housing units in B.C. What is the best way of allocating these resources?
Currie:	BCHMC has tried to address this issue. We need a five-year plan to work towards a goal, instead of an unpredictable cycle of unit funding and allocation. Allocations should be predictable (i.e., number of units would be set out in the 5-year plan), and come out at the same time each year.

6. Nomination of Representative for the April 17 Plenary Session

Members of the Commission and their staff left the room while the participants decided upon a person to represent them at the Plenary session to be held April 17. Mr. Keith Sashaw was nominated to be this representative.

The meeting adjourned at 4:50 p.m.

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

PUBLIC SERVICE ORGANIZATIONS

Date: April 7, 1986

Time: 7:00 p.m.

Location: Prince George Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Invitations to the meeting were sent to various ethnic, church and business groups in the community.

The following people were in attendance:

Present:	Organization
Ms. Erna Janzen	Salvation Army Family Services
Capt. C. Eyre	Salvation Army Family Services
Maj. F. Goobie	Salvation Army Southview Lodge
Capt. I. Elliott	Salvation Army Harbour Light
Ms. Linda Mead	Red Door Rental Aid Society
Ms. Rose Kamm	Archdiocese of Vancouver (Catholic Charities)
Ms. Vera Radio	MOSAIC
Mr. James Barber	MOSAIC
Rabbi H.L. Rubens	Jewish Family Service Agency
Ms. Maro Paizakis	MOSAIC
Mr. Manuel Pereda	MOSAIC
Mr. Roy MacIntyre	Catholic Community Services
Ms. Hilda Gregory	127 Society for Housing, Anglican Church
Ms. Cynthia Llewellyn	127 Society for Housing, Anglican Church
Mr. Joe Wai	Chinese Benevolent Association
Mr. Ray Louie	Chinese Benevolent Association
Mr. James C. Cosh	Chairman, Social Housing Commission of Inquiry
Ms. Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Mr. Desmond M. Connor	Social Housing Commission of Inquiry Staff
Ms. Verna Semotuk	Social Housing Commission of Inquiry Staff

1. Welcome and Introduction

Mr. Jim Cosh introduced the Commission members, and outlined the mandate of the Commission of Inquiry. The agenda for the evening was outlined by Mr. Des Connor.

2. Review of the Commission's Understanding of Major Issues

Jim Cutt explained that the following roster of major issues had been compiled from a review of background material, and from a review of submissions made to the B.C. Housing Management Commission for its report of January, 1986. Participants at the meeting were asked to respond to this list with respect to its accuracy and comprehensiveness. Dr. Cutt explained that some of the following may contradict each other.

1. Affordability: the role of demand-side programs like GAIN and SAFER.

2. Availability: the role of supply-side programs -- need to build a permanent stock of affordable, suitable housing.

3. Primary emphasis in adding to permanent stock should be on new public housing.

4. Primary emphasis should be on approaches other than building public housing.

5. "Effectiveness" in cost-effective social housing must be long-term in nature, e.g., social housing must be constructed with good quality materials and with good design.

6. An income mix in social housing projects is essential.

7. Integration by criteria other than income (age, ethnicity, physical ability) is desirable.

8. Security of tenure is essential.

9. The care component of housing is important. Co-ordination with the Ministries of Health, and of Human Resources is necessary to achieve this.

10. Locational Criteria: access to transit, community/medical services, and employment centres; familiarity with neighbourhood is important.

11. Inter-governmental co-ordination and communication is critical for the effective delivery of social housing.

12. The proposal call system is superior to alternatives.

13. The private sector should have an equal opportunity in the three phases of development, construction and management of social housing.

14. The definition of need can fluctuate -- should it be according to income? special needs? suitability of housing? other criteria?

3. Additions, Corrections and Revisions

Following discussion with participants, the following additions were made:

15. Facilitating human interaction in a project is important; ethnic ties in the community must be recognized.

16. Zoning by-laws should be flexible to prevent the "dumping" of social housing units into areas of low land costs.

17. Integration is a worthy objective in most social housing projects, but sometimes a homogeneous project is preferable, e.g., project for older single men in urban core areas.

18. Management of social housing should be in the hands of the public sector, non-profit organizations, and the residents themselves.

19. Ownership of social housing should be by the public sector and non-profit and co-op organizations.

20. The private sector's concern with profit-maximization is in conflict with the nature of social housing in its development phase.

21. CMHC is too rigid in the implementation of its programs and requires more flexibility in its regulations in order to facilitate social housing needs that may not conform to its existing programs.

22. Co-operative housing is a type of tenure that provides an opportunity for self-determination about the design, location, construction and management of your own housing.

23. Renovating existing homes for shared use by singles is a useful option.

The background discussion which led to these additional issues/concerns was as follows:

Pereda: The design and type of social housing must acknowledge the need for human interaction among residents.

Rubens: Ethnic ties within the project and the surrounding community are critical. General agreement from everyone.

Radio: Integration must refer not only to income mix but also to ethnicity or cultural grouping. Locational criteria for projects must recognize these informal networks.

Barber: Raymur and some projects in Chinatown are examples of bad planning in the location of social housing projects. We should look to relaxation of zoning requirements so that the dollar value of land does not dictate where social housing is built.

Cosh: Community associations will often respond negatively to this kind of relaxation of zoning regulations.

Rubens: Concentration of co-ops at 70th and Granville, or on S.W. Marine give a distinct impression of ghettoization.

Gregory: All these points are important, but if these ideas were collated and put into policy, it becomes often an inflexible framework which can exclude some needy groups. For example, in Downtown South where the population is predominantly male, over 55, and unemployed, it would be poor planning to place families in this area because of the lack of services for families (schools, parks, etc.).

Kamm: People in urban core areas do not want to move out to the suburbs away from familiar neighbourhoods and social services for them. In these areas, there is a critical need for housing for single women in their fifties.

Gregory: We want to give people the freedom to choose their housing, much as those not requiring social housing do.

Barber: Management of social housing should be in the public sector, with resident participation of course.

Gregory: Non-profit organizations should have ownership as well as management responsibilities.

Rubens: If the private sector manages social housing, its profit will eat into the resources required to ensure quality of service to residents.

Mead: Opposed to private sector involvement in social housing because the maximization of profit runs contrary to the aims of social housing. A long-term plan is necessary so that housing is not left to the yearly whims of government.

Gregory: It is important to remember that non-profit developers are, for the large part, part of the private sector.

Radio: Yes: we have to clarify that private sector here refers to profit-making, profit-oriented firms.

Barber: CMHC's regulations preclude opportunities to convert existing stock into co-op units. For example, on Cornwall a large apartment was to be sold and the tenants worked together to get CMHC to relax its regulations so that the building could become a co-op. They were unsuccessful, the building was sold, and the tenants could no longer afford the new rents. A second example occurred on Nelson Street where a group of artists attempted to buy studio space but CMHC again refused the funds for conversion to a co-op -- again the units were converted into one and two-bedroom units that were not affordable to the artists.

MacIntyre: The shelter portion of GAIN is far too low for people to rent units in the Lower Mainland. Will the private sector be able to build units that are affordable?

Barber: In the U.S. the private sector's solution has been to provide trailers as its method of providing affordable housing. We really can't talk about affordable housing without specifying certain standards of quality.

Gregory: Income solutions are just part of the solution. We need a good stock of adequate, affordable housing as well.

Eyre: Even if you supplement people's incomes, the reality is that market rents will rise in proportion to the new income levels of renters. The rent supplement subsidy gets eaten up by higher rents.

Pereda:	Seems that co-ops provide one of the best solutions to a lot of these concerns. They give residents a say in the project's location, its social mix, and design. People should be able to have some control over their own housing.
Gregory:	What is the Commission using as a definition of cost-effectiveness? Must social housing always look like social housing: that is, in order to keep costs low, must the housing look shabby so that the public does not get upset?
Rubens:	The concept of "shared housing" is worth looking into, especially in addressing the issue of renovating/rehabilitating existing stock, or the issue of seniors living in large homes which are becoming too expensive to keep up. The concept of shared housing has been tried in Boston, with good results, and the idea needs exploration here. In the U.S., it is the federal government which funds this program.
Llewellyn:	The proposal call system may have merit, but it leads to very intense competition among non-profit societies, and this scramble for a small number of unit allocations leads to an atmosphere of competition among non-profit and co-op groups who really share similar goals and yet are forced to see each other as competitors.
Barber:	Some municipalities have experimented with land banks for social housing and it's a concept that deserves some serious attention.

4. Priorization of Concerns/Issues

Des Connor led the participants through an exercise that permitted the group to give a weighting to each of the identified issues in Sections 2 and 3 of these notes, and therefore to provide some sense of which issues were priorities among the constituencies present at the meeting. Of the twenty-three issues identified, the following eleven received the highest priority (but participants stressed that this exercise of priorizing should not indicate that the other issues are less relevant): Numbers 11, 14, 1, 21, 5, 10, 18, 20, 8, 2 and 7.

Discussion:

Gregory:	Inter-government co-ordination is critical because now each level of government uses the lack of commitment from other levels of government as an excuse for their own inertia.

Cosh: We must get down to the issue of how needs should be defined, and second, how are allocations to be made when it is probable that needs outstrip present resources.

Gregory: For the project we worked on, needs were assessed by meeting and talking with people who lived in the old hotels and rooming houses in the area. As well, studies from the City, and summer studies completed by Social Work School students at UBC were used.

Mead: Ann McAfee's study for the City done in 1981 is still valid. It's critical that needs be defined first and then allocation of units/subsidy should be made to match these needs -- not the other way around.

Rubens: Direct contact with clients/potential users is the best way of assessing need of course.

Llewellyn: Percentage of household income spent on shelter, condition of present housing, length of time in the neighbourhood and stage of life cycle are all necessary criteria for assessing true housing need. There is absolutely no doubt that all applicants for social housing are in need -- there is no quantitative analysis that is necessary for proving this. Perhaps a point system (weighted) can help assess those most in need, but housing those most in need still means that others in need are left out.

Gregory: Non-profit and co-op groups on a regional basis should be allowed the opportunity to decide what the priority target groups are, and then the organizations and agencies themselves would have a long-term plan from which to work. Long-term goals and plans would permit these groups to work collaboratively in meeting these needs.

Goobie: What happens to public housing facilities when policies change or when needs change, leaving these facilities empty? For example, policies of de-institutionalization, or integration of the disabled/seniors into the community might leave these buildings empty.

Rubens: In these large public housing projects, there has been shown to be a high incidence of alcoholism, family violence, and depression. It's good that these types of facilities are no longer being built, but it's true that we need to find a good use for abandoned facilities.

Mead: Vacancy rates in social housing units can be very misleading. A relatively high vacancy rate does not mean that there is no need out in the community. Instead, it has been found that these units are not appropriate/desirable for a variety of reasons -- poor location (not near bus lines or community facilities) or poor design (steep slopes for the disabled or elderly), for example.

MacIntyre: We have to address the affordability problems of the working poor as well. High rates of unemployment have left working families with very low incomes.

Eyre: We see families who are dependent upon food banks, who are living with friends -- these are part of the population whose needs are hidden because they are "housed", and may not be on income assistance rolls.

Wai: We did a storefront study of seniors in need in our community. We found 1,500 people in need, with 350 of them signing up for the Cordova Street project (134 households). The project was meant to help house veterans, as well as people who are getting evicted from existing stock in the area.

None of the participants had statistics, or could give sources for statistics, on the homeless. A suggestion to check with the Social Planning Department of the City of Vancouver was made.

5. Objectives for Social Housing

For the consideration of the participants, Shelley Tratch presented seven objectives for social housing. These objectives had been collated from material in the report put out by the B.C. Housing Management Commission.

1. Assist only the needy.
2. Ensure a balanced community (income mix).
3. Provide security of tenure.
4. Integrate the disabled, families and seniors into the community.
5. Set regional targets for priority groups.
6. Locate projects in acceptable areas.
7. Build good housing as efficiently as possible.

Des Connor again led an exercise in which participants were asked to priorize the above objectives. Approximately half of the participants didn't want to perform this exercise as its results could be used to report that the lower-weighted objectives were not as important, and this is not the case. From those who did participate in the exercise, the following priorities emerged:

Objectives 6, 3, 1, 4, 5, 7 and 2 (in that order).

Everyone stressed that these results were not to be interpreted as meaning that any of the objectives were less relevant than others. Furthermore, the ambiguous meaning of most of the objectives as stated put the results of the exercise in doubt.

6. Nomination of Representative for the April 17th Plenary Session

Commissioners and commission staff left the room while participants decided upon a person to represent them at the next plenary session. Two people were nominated for this task: Linda Mead and James Barber.

The Commission Chairman thanked everyone for their time and participation. The meeting adjourned at 10 p.m.

Appendix H

PLENARY WORKSHOP -- APRIL 17, 1986

TERMS OF REFERENCE

TERMS OF REFERENCE FOR PLENARY WORKSHOP

Introduction

Following our series of six meetings, April 4-7 with representatives of 47 organizations concerned with social housing, we will hold a plenary workshop on Thursday, April 17 from 9 a.m. to noon, as previously announced.

Participants will be those previously selected by the meetings plus some others added by the Commission to ensure a broader representation.

Objective

The objective of the workshop will be to identify the level of acceptance and rejection by the various constituencies of:

- some estimates of unmet needs;
- some ratings of policy and program effectiveness; and
- some policy options.

Process

After a brief review of each of the topics by a Commission member, and any necessary clarification, the participants will be asked to note privately on a rating sheet what they believe their constituency's response would be to the subject, e.g. to what extent seniors would accept shelter allowances as a program to implement integrated housing.

Note: Participants are asked to reflect the views and concerns of their constituency, e.g., seniors, not their personal views or those of their organization.

The meeting will be held at: Holiday Inn Harbourside
Kamloops Room
1133 West Hastings Street
Vancouver, B.C.

To foster a free and frank exchange of views, the media will not be invited to attend.

Minutes will be taken and will be distributed to the participants soon after the meeting; minutes will also be available for public review at the Commission's office.

If participants have any comments, suggestions or questions about this process, please call 683-3966.

James C. Cosh
Chairman

April 14, 1986

Appendix I

PLENARY SESSION -- APRIL 17, 1986

MINUTES

MINUTES

SOCIAL HOUSING COMMISSION OF INQUIRY

PLENARY WORKSHOP

Date: April 17, 1986

Time: 9:00 a.m.

Location: Kamloops Room, Holiday Inn, 1133 West Hastings Street, Vancouver, B.C.

Present:	Constituency Group:
John Chorney	Seniors
John Currie	Industry
Al Etmanski	Disabled
Capt. Christine McMillan	Women's Special Needs
Jan Lancaster	Women's Special Needs
Linda Mead	Service Groups
Margaret Mitchell	Low Income
Derek Murphy	Low Income
Keith Sashaw	Industry
Shirley Schmid	Low Income
Mike Walker	Low Income
Jill Weiss	Disabled
James C. Cosh	Chairman, Social Housing Commission of Inquiry
Shelley M. Tratch	Vice-Chairman, Social Housing Commission of Inquiry
Dr. James Cutt	Commissioner, Social Housing Commission of Inquiry
Desmond M. Connor	Social Housing Commission of Inquiry Staff
Gary Reith	Social Housing Commission of Inquiry Staff
Sharon Folkes	Observer

1. Introduction

Mr. Cosh welcomed the workshop participants and outlined his hopes for the meeting:

- that participants would try to reflect the broad views of their constituencies as opposed to the views of their specific organization;
- that the commonality of concerns could be identified;

- that feedback could be obtained regarding policy options.

Mr. Cosh reported that the Commission was working on the preliminary report, that a hearing would be held in early June to ascertain allegations of social housing abuse, that a conference was being planned for late May to allow for broad public review of the preliminary report.

Mr. Connor outlined the agenda.

2. Commissioner's Visits to Three Communities

a) James Cutt (Nanaimo)

Mr. Cutt visited the planning department a housing project and the Unemployed Action Centre.

Mr. Cutt found that there was a good supply of housing available, though much was considered substandard. The planner suggested that:

- the main need was income supplements to improve affordability;
- youths have a perceived lack of opportunities;
- there is a need to improve housing maintenance standards.

The housing development contained 34 units (for families) located in a mixed community. The development was run with a co-operative-style of management and appeared to work well. There was a high turnover rate and a short waiting list.

Schmid:	What accounted for the high turnover rate?
Cutt:	Probably a function of the economic situation with families moving to take advantage of employment opportunities elsewhere.
Mitchell:	What was the name of the project?
Cutt:	Could not recall the name but would find out and contact Ms. Mitchell.

Regarding concerns from the Unemployment Action Centre, concerns are: no serious way of dealing with transients or emergency situations; the deteriorating quality of low income housing.

b) Shelley Tratch (Cranbrook)

Toured BCMHC units which were a mixture of duplexes, row homes and houses. These were extremely well maintained; residents reported that small size of developments and the high level of maintenance mitigated against ghettoization.

BCMHC does not appear to deal with childless couples and this appears to be a problem.

Met with the Ministry of Health and representatives of Rocky Mountain House to discuss housing for the disabled. The care component provided with the group home was particularly impressive. Toured a seniors' housing project.

c) Jim Cosh (Kamloops)

Reported that Kamloops has a large number of single parent families and young persons. There does not appear to be a shortage of housing. Noted that many private rental apartments are in receivership and are in poor states of repair; city does not appear to enforce maintenance standards. Particular concerns were voiced about the needs of single mothers, teenaged mothers and women with special needs. People spoke highly of the group home placement program for former Tranquille residents. Most people stated that a fourplex unit was the optimum size of a social housing development in Kamloops.

Schmid: How is maintenance for dispersed social housing units undertaken?

Tratch: Maintenance is provided under contract to BCMHC.

Chorney: What was the situation for seniors?

Cosh: Persons in Kamloops feel that the problem is that too many seniors are moving out of the community.

Weiss: Were disabled persons living in housing projects?

Cosh: No.

Mitchell: Agrees that single men and women are not adequately cared for.

3. Concept of Social Housing

Cosh: Stated that the Commission has defined social housing as a situation that occurs: "Whenever the community at large contributes to the shelter of an individual or family.": does not include institutions or tax transfers for homeowners.

Mead: What is meant by "community at large"?

Cosh: The community includes taxpayers, private groups, churches and non-profit organizations.

The workshop participants indicated agreement with the definition of social housing as provided by the Commission.

4. Objectives of Social Housing

Mr. Connor presented a chart which summarized the ranking of social housing objectives by each of the six constituency groups as recorded at the series of six workshops held earlier. (See following page).

5. Pros and Cons of Current Programs

Mr. Cutt presented the relative pros and cons of current social housing programs and invited response from the workshop members.

a) GAIN

Pros

- targeted;
- allows choice of location;
- flexible: can be implemented quickly.

Cons

- inadequate level of financial support;
- built-in disincentives for the recipient to work or to seek lower cost housing.

Murphy: Experience in Saskatchewan suggests that ghettoization results from income supplements for housing; increases in GAIN rates prompt increases in rental rates; subject to funding cuts.

Weiss: Does not add to the stock of housing.

Mitchell: Tax credits for rents should be restored; the 30% rent/income ratio is too high.

Schmid: No tenure options. Welfare recipients get no down payment assistance for entrance to co-ops, although they used to. Co-ops have disability contribution fund for co-op share purchase.

b) SAFER

Pros
- good concept in general.

Cons
- eligibility criteria too severe;
- payments too low.

Chorney: If size of payments were geared to rents in social housing, there would be no problem; however, the allowance rates are inadequate in the private rental market.

Schmid: Has there been any new information regarding the effectiveness of SAFER?

RANKING OF SOCIAL HOUSING OBJECTIVES

Objectives	Disabled	Low Income	Women's Special Needs	Seniors	Average	Industry	Public Service	Overall Average
1. Assist only the needy	6	7	3	4	6	2	2	6
2. Insure balanced community	1	3	1	4	1	1	6	1
3. Security of tenure	4	2	3	2	2	6	2	3
4. Integrate disabled, families and seniors	2	1	5	6	4	3	4	4
5. Set regional targets for priority groups	6	6	7	7	7	7	4	7
6. Locate projects in accessible areas	2	5	1	3	3	5	1	2
7. Build good housing as efficiently as possible	6	3	5	1	5	3	4	5

c) Federal/Provincial Rent Supplement Programs

Pros

- flexible;
- targeted;
- allows integration.

Cons

- prevents mobility;
- higher cost in the long-term;
- no equity build up;
- units tent to disappear over the long-term, especially during tight rental periods when they are most needed;
- ignores special needs groups;
- susceptible to political whim.

Murphy: Rent supplements could be used in special circumstances in areas where long-term structural vacancy rates are evident.

Weiss: Does not add to supply of housing.

Cosh: Would the federal/provincial programs help meet needs during periods of economic fluctuation?

Schmid: Fluctuating economy does not appear to change the number of persons in need. During upturns rents increase, during downturns no low income housing is built. Should focus resources on building a supply of housing.

d) Section 44.1 Programs

Pros

- good for the disabled;
- effective in rural areas.

Cons

- at what point would the subsidy end?

Etmanski: In urban areas it would be useful to stack a rent subsidy on top of a social housing unit.

Mitchell: Top priority should be given to housing for the disabled. Asks why rents are so high now when there is a recession, and why all individuals are not eligible for rent supplements based on need.

e) **Supply Side - Public Housing**

Pros

- targeted;
- provides permanent housing stock;
- suitable for small communities;
- helps people not fully served by co-ops and non-profits.

Cons

- not integrated by income (although this might be a design problem);
- absence of choice.

Mitchell: Nothing has been built since 1977, the supply of public housing is inadequate.

Murphy: Some public housing tends to create social conditions conducive to crime; often the very hard to house persons are discouraged from living in public housing.

Schmid: Access to support services are important in addressing social problems.

f) **Supply Side - Private Non-Profit**

Pros

- integrated;
- less expensive than rent supplements in the long-term;
- well maintained;
- self-imposed rent control;
- fosters cooperation;
- flexible design opportunities;
- can include the care component;
- eliminate systemic barriers if well built;
- enhances dignity of the individual.

Cons

- long-term cost commitment = inflexibility to change;
- diminished discretion.

Murphy: Notes that co-op and non-profit housing could take a larger percentage of low income groups if funding arrangements were different.

Cutt: Enquired about the vulnerability to unethical developers.

Schmid: Noted that problems had been encountered during periods when high interest rates made it impossible to build rental housing. Stated that CMHC had identified these problems and imposed controls.

Weiss: Some non-profit developers work for very low wages.

Cosh: Notes the perception of some persons that some individuals with high incomes live in social housing.

Schmid: Rejects that the assertion is valid; only 10% to 11% of co-op residents could afford market rates. Concerning those residents who do have high incomes, these should not be forced to move if they wish to enjoy the community benefits.

Lancaster: The public perception of co-op abuse needs to be overcome; cites the fact that many co-op members devote time and energy to maintaining co-ops.

Weiss: Agrees that there is a public relations problem; there should be more recognition of the fact that co-op members trade off the potential for capital gain in favour of security of tenure and community benefits.

Murphy: Suggests the Inquiry focus on the need to improve public education about social housing issues.

Tratch: Are monthly co-op payments increased?

Schmid: Monthly rents increase by 5% of the mortgage payment when the payment increases; there are also increases to cover operating costs. Only person with adequate incomes pay the increases.

g) Policy Options

The Commission referred the workshop members to a list of 26 policy options which were derived from written submissions, previous group meetings, hot line calls and visits to social housing projects. It was noted that the policy options were often contradictory. Each participant was requested to review the options and rate each option according to the degree of agreement or his agreement of their constituency. (Note: the results of this exercise are attached.) The participants were also invited to list other policy options or adjust the wording of the 26 options presented. A general discussion ensued.

Lancaster: The long-term social implications of social housing should be considered, not just the short-term financial costs. Battered women need immediate housing. Age barriers for social housing eligibility should be removed.

McMillan: There should be more attention to the needs of older singles, particularly those who have experienced a dramatic change of personal circumstances. Note that special needs people are unorganized and powerless -- they need advocates. Lack of housing forces people to return to unhealthy home situations.

Weiss: The problem of special needs persons fall under the framework of integration; needy singles would be included under the integration principle.

Schmid: Emergency needs would be one valid use of rent supplements. Housing programs must respond to needs.

Lancaster: More one-bedroom suites are needed. There should be more emphasis on special needs persons (including single males).

Etmanski: Resource groups such as BILD and Roofraisers were organized due to dissatisfaction with resources in the Province available to build housing with the disabled. Resource group functions should be maintained and enhanced so that services and information are available throughout the Province. There must be better coordination among housing, health and human resources agencies; care components should be emphasized. Previous housing programs have, to a certain extent, led to the break-up of families of disabled persons through institutionalization; the inquiry should look into how federal and provincial housing programs can support families.

Sashaw: The stance of industry is that there should be a variety of policy options to respond to different needs. There is a need for public education about social housing needs and the means by which they can be addressed. Expressed concern that the reality of limited funds available to provide for social housing needs; should address the needs of maximum number of people possible with the resources available. The private sector wishes to cooperate and interact with resource groups; can provide information and expertise.

Mead: The restoration of tenants' rights legislation is essential.

Weiss: Proposal calls need to be more flexible to involve projects attempting to address persons with special needs.

Currie: More stability is required. Agrees that there should be more housing stock built. There is a need for flexibility; we should be taking advantage of the current economic situation to build housing.

Weiss: Suggests that a permanent housing advisory council be established; membership should encompass all elements of social housing interests. (General agreement expressed).

7. Conclusion

Mr. Cosh thanked all present for attending the workshop and sharing their views with the Commission.

POLICY OPTION RATING

	Service	Disabled	Low Income	Women's Special Needs	Seniors	Industry	Average
1. Social housing should be targeted to those most in need of assistance, the definition of need to include both an income test and those with needs for special purpose housing	2.00	-0.50	1.25	0.00	2.00	1.50	1.04
2. There should be an increase in the use of rent supplements as a social housing program to allow the integration of units within existing rental buildings so long as there is an adequate supply of rental accommodation to result in reasonable market rental rates	0.00	0.00	-0.50	0.50	-1.00	0.00	-0.17
3. Limit the delivery of social housing to small scale projects of under 30 units	0.00	0.50	-1.50	1.50	-1.00	0.00	-0.08
4. Provide integration among income levels falling within the range of "households in need"	1.00	-0.50	1.00	1.00	0.00	1.00	0.58
5. Provide integration on a community basis by integrating small scale housing projects within a community of mixed incomes	1.00	0.50	0.75	1.50	1.00	1.00	0.96
6. Introduce as much competition as possible into the delivery of social housing while insuring sufficient quality control measures and targetting measures (i.e., proposal call would set out the objectives for the particular project in terms of filling a specific need, in a specific community, etc.)	-2.00	-0.50	0.00	0.50	1.00	1.50	0.50
7. Introduce elements of the cooperative style of living into social housing projects where possible, including tenants' associations, responsibility for certain aspects of project operation and maintenance, etc.	2.00	2.00	0.25	1.00	1.00	1.00	1.21
8. Amend the social housing programs to permit more flexibility in discretionary funding (i.e., social housing expenditures should not be tied to long-term mortgages for single projects or long-term contacts tied to specific units	0.00	0.00	-1.25	-2.00	-2.00	0.00	-0.88
9. Ensure greater coordination between the federal, provincial and regional levels in identifying social housing needs and priorities; and in better allocating available programs to best serve needs	1.00	1.50	1.50	1.50	1.00	1.00	1.25

POLICY OPTION RATING (continued)

	Service	Disabled	Low Income	Women's Special Needs	Seniors	Industry	Average
10. RRAP should be available for low income households, special needs households and landlords, but strictly targeted to those most in need and for essential repairs only	0.00	1.00	1.25	0.00	2.00	0.50	0.79
11. Greater planning to ensure that the appropriate program is delivered to satisfy the identified needs (i.e., RRAP for rehabilitation where the issue is not affordability but is adequacy of housing); construction of new units should only take place where necessary to provide a supply of low income housing; rental supplements to be used in cases where supply is sufficient but affordability is the problem	2.00	1.00	0.75	0.50	2.00	1.50	1.29
12. Increase rental charges to market rent (adjusted annually for non-income tested households in both non-profit and cooperative housing projects)	-2.00	1.50	-1.00	-1.00	2.00	1.00	0.08
13. Increase the use of shelter allowances to enable households to choose their own home	2.00	-1.00	-0.50	2.00	0.00	0.00	0.42
14. Security of tenure is an important issue for those with special housing needs and for seniors; programs affording security of tenure should be concentrated on these people	2.00	0.00	1.25	0.50	1.00	0.00	0.79
15. A more comprehensive and effective needs identification system must be developed to ensure those in need can be served	1.00	1.00	1.25	0.50	1.00	1.00	0.96
16. Planning of social housing must include, in the case of the disabled, input from the disabled and, where possible, particular individuals should be identified prior to design and construction of the unit to ensure specific needs are met	2.00	2.00	2.00	1.00	1.00	1.00	1.50
17. The planning of social housing must include location factors such as distance from public transportation, community services, etc.	2.00	2.00	2.00	1.50	1.00	1.00	1.58
18. More emphasis and funding should be placed upon in-home care services	2.00	2.00	1.75	1.50	1.00	0.50	1.46
19. More emphasis should be placed upon home sharing and matching programs for seniors' housing	2.00	1.50	0.75	1.50	0.00	1.00	1.13

POLICY OPTION RATING (continued)

	Service	Disabled	Low Income	Women's Special Needs	Seniors	Industry	Average
20. More emphasis should be placed upon the individual concerns of various constituencies using social housing when both targeting and designing social housing projects	2.00	1.50	1.50	1.50	1.00	1.00	1.42
21. Projects designed for seniors should integrate all levels of care so that seniors need not be relocated when their care requirements change	2.00	2.00	1.75	1.50	2.00	0.50	1.63
22. Social housing programs must be flexible enough to respond to changing needs	1.00	2.00	1.50	2.00	2.00	1.50	1.67
23. Better targeting is required not only from a financial point of view but to identify particular priority groups of "hard to house" people; this again points to a better inventory system and more decentralization and coordination of the process of selecting acceptable programs	0.00	1.00	0.50	1.00	2.00	1.00	0.92
24. The ownership of social housing should be subject to strict controls to ensure that it is available indefinitely for social housing purposes	2.00	1.50	2.00	1.00	2.00	1.00	1.58
25. Targeting for social housing should not be a function of the lobby group with the "loudest voice"	2.00	1.50	1.50	1.50	1.00	1.00	1.42
26. Integration should include integration of tenant profiles (i.e., seniors, families and disabled together in one project)	2.00	2.00	1.50	2.00	0.00	1.00	1.58
27. Integration among all income levels	2.00	2.00	0.25	2.00	2.00	1.00	1.54
28. Security of tenure for all social housing households	2.00	2.00	1.75	1.50	1.00	1.00	1.54
29. Non-profit societies and cooperatives are the preferred vehicles for delivery of social housing	2.00	2.00	1.00	1.00	2.00	-0.50	1.42
30. More transitional housing is needed for persons with special needs	2.00	2.00	0.75	2.00	0.00	1.00	1.29
31. Provide more emphasis on housing for singles in need regardless of age	2.00	0.50	0.75	1.00	0.00	1.00	0.88
32. Consider the social costs of developments as well as the financial costs	0.00	1.00	0.00	1.00	0.00	-0.50	0.25
33. There is a need to restore strong and effective legislation to protect tenants' rights	2.00	2.00	0.25	1.00	0.00	0.00	0.88

POLICY OPTION RATING (continued)

	Service	Disabled	Low Income	Women's Special Needs	Seniors	Industry	Average
34. Rent supplements can be used to provide a quick response to emergency situations	0.00	1.00	0.50	0.00	0.00	0.00	0.25
35. Resource groups shall be fostered so that they can provide assistance to groups on a province-wide basis	0.00	2.00	0.00	0.50	0.00	0.00	0.42
36. Social housing = family support	0.00	2.00	0.00	0.00	0.00	0.00	0.33
37. The Provincial Government should increase the stock of affordable housing	2.00	1.00	0.00	1.00	0.00	0.00	0.67
38. More interministerial cooperation is needed within the Provincial Government	0.00	2.00	0.00	0.00	0.00	0.00	0.33

NOTE: Rankings are assigned as follows:

Strongly agree	+2
Agree	+1
Undecided	0
Disagree	-1
Strongly disagree	-2

- Non-responses were counted as zero.
- Responses were summed for each constituency group and divided by the number of persons per group.

Appendix J

SOCIAL HOUSING PROFILE — BEYOND THE LOWER MAINLAND

Introduction

Ten major British Columbia communities were profiled to provide an overview of social housing services and needs in those areas lying beyond Greater Vancouver. The 10 communities profiled were: Victoria, Kamloops, Kelowna, Prince George, Nanaimo, Cranbrook, Trail, Prince Rupert, Fort St. John and Port Alberni.

The combined population of these cities accounts for about 45% of the provincial population which resides outside of Greater Vancouver. Geographically, the 10 cities provided representation from all areas of the province.

Methodology

Two sources of information were available to conduct all of the ten community profiles:

- data available from the 1981 Canada Census regarding demographic, socio-economic and housing characteristics; and
- data provided through Ms. Aldeyn Donnelly, Social Housing Commission of Inquiry researcher. This data pertained to social housing facilities and needs throughout the province. The information was obtained largely through CMHC and the British Columbia Housing Management Commission.

The above information was supplemented by telephone interviews with agency representatives and interest groups in each community, where separate sources were contacted. Attempts were made to interview knowledgeable persons able to present a balance of views regarding social housing services and needs.

General Findings

1. The economics of the smaller regional centres are not as well diversified as those of Vancouver and Victoria. As a result, there is a tendency for substantial ebbs and flows in the construction and availability of housing. Presently, most of the communities have a reasonable surplus of low cost housing, hence low income groups are able to participate in the market to a certain extent. However, if local economies experience an upturn then it is likely that vacancy rates will drop and housing costs will rise. This will place the low income groups in a relatively disadvantageous situation, particularly in view of the fact that social housing facilities are fairly limited.

2. The areas of particular need vary with the demographic characteristics of each community as well as with the economic base. Centres such as Kelowna, Victoria and Nanaimo have particular concerns regarding housing for seniors. Prince George and Kamloops, on the other hand, are relatively family-oriented and report concerns for low-income families. Some of the smaller centres have crippling unemployment rates, extremely high vacancy rates and an uncertain economic future. There is a concern that a future housing crisis is in the making, with large numbers of unemployed home-owners unable to afford mortgage payments.

3. The larger regional centres are providing group homes to meet the housing needs of mentally disabled persons. There appears to be a shortage of facilities for independent living. The housing needs of the physically disabled are difficult to assess. On the one hand, it is stated that most physically disabled persons gravitate to Vancouver, where the climate is relatively hospitable and where special services are available. On the other hand, it is reported that some physically disabled persons reside in family homes. Whether or not this living arrangement was by choice or by necessity could not be inferred. However, it is known that options for independent living in regional centres are very limited for the disabled.

4. A mix of housing facilities to provide for the varied needs of women in crisis is not available. Most centres have Transition Homes providing short-term housing. Women with special needs or in crisis do not have any Second Stage housing available.

5. Many regional centres have short-term facilities for transient and homeless single persons, most of whom are males. The primary emphasis is on short-term accommodation for transients.

6. In all communities except Victoria, there was little mention given to social housing which provided for a mix of income groups and family types. Persons interviewed were generally unfamiliar with the operations or existence of cooperative housing developments in their respective communities.

Following the discussion of each community, a table outlining available social housing facilities is provided. This table is not intended to be exhaustive; it is intended to show the range of facilities in each community. Concluding each community profile is a table summarizing the responses of different groups as regards to the adequacy of social housing facilities and services. Attempts were made to compare and contrast the opinions of representatives from government agencies to those of interest group representatives.

"No comment" is used to show instances where it was not possible to interview a knowledgeable agency or interest group representative.

COMPARATIVE HOUSING RELATED STATISTICS FOR SELECTED BRITISH COLUMBIA CENTRES

	Kamloops	Kelowna	Prince George	Nanaimo	Cranbrook	Fort St. John	Port Alberni	Prince Rupert	Trail	Greater Victoria	Greater Vancouver	British Columbia
1981 Population (x 1,000)	64	59	68	47	16	14	20	16	10	233	1,268	2,744
1981 Unemployment % or Current Estimate (%)	6.9 (14)	7.4	8.5 (14)	(15)	(30)	8.1	10	8.4	6.5 (20)	6	5	6
% Seniors (65+)	6.2	14.5	3.1	11.0	6.2	3.4	6.8	4.8	11.9	17	12	10.9
% Children (0 to 15)	27.1	20.2	28.6	20.0	20.0	29.7	25.8	26.8	21.2	17	18	21.4
Total Dwellings (x 1,000)	22	28.5	21.8	17.5	5.4	4.6	11	6	8	95	477	995
% Owned	70	72	70	71	71	69	73	59	77	56	58	64
% Rented	30	28	30	29	29	31	27	41	23	44	42	36
% Owned Dwellings Needing Major Repairs	3.9	3.0	4.6	4.5	5.0	5.9	5.4	9.9	6.5	3.3		6.8
% Rented Dwellings Needing Major Repairs	5.6	4.6	8.2	7.8	8.0	8.8	11.8	6.4	8.4	4.2		4.7
Average Rental Vacancy Rate (% - 1985)	11.7	1.0	8.4	7.5	11.1	14.8	3.7	17.4	24.7	1.8	2.2	3.7
Average Rental Rates ($ - 1985)												
- Bachelor	259	247	290	236	263	208	215	332	226	292	345	327
- 1 Bedroom	307	330	337	283	304	258	256	386	285	361	419	391
- 2 Bedrooms	372	391	387	361	366	315	325	441	351	469	551	469
- 3+ Bedrooms	484	422	350	400	363	391	376	526	388	564	605	525
% of Rental Households Paying 25% or More of Gross Income for Rent (Number)	20 (1,415)	22 (1,925)	23 (1,625)	19 (1,350)	11 (172)	21 (300)	19 (560)	22 (360)	15 (280)	18 (6,545)	16 (32,090)	18 (57,300)
Incidence of Low Income (% - 1981)												
- Families	10	10	11	12	8	7	6	8	5	9	11	10
- Individuals	37	37	28	39	25	22	23	25	29	35	35	35
% Families with Single Parent (1981)	12	10	12	12	7	11	11	12	9	11	12	11
% Single Parent Families (1981) with:												
- Female Head	80	85	82	84	80	87	79	69	80	87	83	82
- Male Head	20	15	18	16	20	13	21	31	20	13	17	18
% Provincial Need (181)												
- Singles	2.18	1.87	1.97	1.86	0.53	0.56	0.08	0.40	0.12	11.85	57	100
- Seniors	1.29	2.34	3.23	2.25	0.62	0.07	0.47	0.14	0.23	17.68	57	100
- Families	2.52	2.34	3.23	2.25	0.66	0.75	0.67	0.90	0.23	9.07	49	100
Number in Need												
- Singles	606	520	548	517	147	156	139	111	33	3,294	17,243	30,108
- Seniors	312	749	222	334	150	17	114	34	56	4,273	13,729	24,138
- Families	627	582	804	560	164	187	167	224	57	2,257	12,253	25,110

CITY OF KAMLOOPS — SOCIAL HOUSING PROFILE

Introduction

Kamloops is the fourth largest urban centre in British columbia with a population of about 64,000 people. As the economy of the area is heavily dependent on resource base activities, Kamloops has experienced periods of rapid growth and economic contraction over the past 10 years. At present, Kamloops is experiencing a very modest upturn in its local economy. It is believed that the recession caused by declining markets for minerals and forest products has bottomed out. The dependence of the area on resource sectors has been reduced by an increasing level of retail, transportation and distribution related activities. The role of Kamloops as a corporate and financial centre has been supplanted somewhat by Kelowna and Prince George.

Demographics

Kamloops has a relatively youthful population. About 27% of the residents are under the age of 15, suggesting a relatively large number of families with children. By comparison, the proportion of persons under the age of 15 is only 21% for the province as a whole. As of 1981, 7.3% of Kamloops' population was between the ages of 55 to 64, while 6.2% was over the age of 65. Both percentages are below provincial averages for these age groups.

Housing

There are about 22,000 dwelling units in Kamloops, 70% of which are owned and 30% rented. Single family residences dominate the housing stock, accounting for more than 80% of the total. Relative to other major centres in British Columbia, the quality of housing stock in Kamloops is good. In 1981, only 3.9% of owned dwellings and 5.6% of rented dwellings were classified as needing major repairs. Among the major centres in British Columbia, only Victoria and Kelowna had a lower proportion of " substandard" housing stock.

Possible Implications and Concerns

1. The economic downturn has resulted in a relatively high vacancy rate in all rental units except 3+ bedroom units. It is believed that low income groups are benefitting by the slack demand for housing. However, there is some concern for low income mothers with children. Most of the rental vacancies appear to be in an area of Kamloops that is considered a "slum".

2. Housing for seniors does not appear to be of major concern in terms of quantity. There are three separate developments with nearly 300 dwelling units for seniors. No waiting lists are reported. There is a concern that the care component for seniors should be more highly integrated with housing.

3. The closure of Tranquille School resulted in an influx of about 80 mentally disabled persons. It appears that these individuals have been housed within group homes situated in the Kamloops area and throughout the province.

4. The physically disabled seem to comprise a small client group. One group home with six beds is reported to have two vacancies. It is noted that most physically disabled persons reside in their own homes with parents and relatives. It would appear that opportunities for disabled persons to live independently in integrated housing developments are nonexistent in Kamloops.

5. There is a 17 bed emergency shelter for women in crisis. While the facility is adequate at present, it should be noted that there is no second stage facilities for women who require some interim housing arrangement. It should also be noted that emergency housing facilities for women with children are in very short supply.

6. There is a men's hostel providing 38 beds for short-term shelter. The manager of the hotel reports that the clientele represents a broad cross-section of age groups. As is the case with the women's emergency shelter, a small core of four to six regulars is reported. The manager also reports that the number of available beds have proven adequate.

CITY OF KAMLOOPS

Services

Social Housing:

- BCHMC Managed Units	12 - 3 bedroom units (4 on waiting list)
- Assisted Rental Units	13 - 2 bedroom units (6 on waiting list)
Cooperatives	1 : 60 units
Seniors	3 : 250 to 300 units
Physically Disabled	1 : 6 bed facility
Mentally Disabled	several group homes
Transient Men	38 beds (5 day maximum stay)
Women in Crisis	17 beds (5 to 30 day stay)
RRAP (1984)	- 100 owner-occupant loans - 5 rental loans value = $411,000

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good at present due to high vacancy rates	Primary concern is single mothers - very little vacant affordable housing in suitable locations
Seniors	Good, but need to co-ordinate housing with care components	No Comment
Disabled	Good	No Comment
Women in Crisis	No Comment	Emergency facilities are adequate but need is for second stage housing; little help for women with children
Transients	No Comment	Adequate

CITY OF KELOWNA — SOCIAL HOUSING PROFILE

Introduction

Kelowna is emerging as a principal administrative, trade and financial service centre for south central British Columbia. The completion of the Coquihalla Highway with subsequent connections to the Okanagan are expected to reinforce Kelowna's regional dominance. While Kelowna has suffered a period of economic stagnation over the past several years, its economy is relatively diversified as compared to other regional centres in British Columbia.

Demographics

The most notable feature of Kelowna's demographic profile is the large percentage of persons in the mature and senior age categories. Nearly 25% of the population is over 55 while almost 15% are over 65. In relative terms, Kelowna contains about 3% of the total population in British Columbia, but has more than 6% of the provincial population over 65. The high proportion of seniors reflects the fact that Kelowna and the surrounding area is a highly attractive retirement location. As might be expected, the proportion of the population under the age of 15 (20%) is lower than the provincial average (22%).

Housing

The City of Kelowna contains more than 28,000 households, the largest number of households of any urban area outside Vancouver and Victoria. This reflects the high proportion of seniors, who have small family sizes. The quality of the housing stock is among the best of any major centre in British Columbia. In 1981, only 3% of the owned dwellings and 4.6% of the rented dwellings were in need of major repairs. City planners predict that over the next 15 years there will be an increasing shift towards multi-family developments for housing.

Possible Implications and Concerns

1. Many seniors moving to Kelowna are doing so to retire and are not considered needy in terms of housing affordability. It may be expected, however, that increasing numbers of aging persons will require additional care services and facilities which will provide for a transition in housing requirements. Estimates of relative need prepared by CMHC suggest that Kelowna has the third highest proportion of needy seniors in the province. Comments from local officials indicate that the housing situation for low income seniors is satisfied by a total of 11 non-profit housing facilities and a profusion of market apartments.

2. It was frequently stated that low income families, particularly single mothers, were often overlooked in terms of housing needs. Much of the low income rental accommodation in those areas of the city which are accessible to services and public transportation are geared to seniors. It is claimed that some apartments actively discourage non-senior tenants. Within the city of Kelowna itself there is a very low vacancy rate for all sizes of apartments. Most available housing suitable for families is located in rather remote areas where there is no access to support services or public transportation.

3. Local motels provide a source of low cost housing for singles and families during the fall and winter season. With the onset of the tourism season, however, these persons are required to seek other accommodation. The Ministry of Human Resources is highly reluctant to provide income support to residents of motels. However, the Ministry acknowledges that the motels provide useful interim accommodation in view of the fact that other facilities are in short supply.

4. Kelowna contained six group homes with a total of 24 beds for mentally disabled persons. There is also an independent living program where 10 mentally disabled persons live with minimal care. It is reported that the current facilities satisfy only about half of the local demand.

5. There is a Transition House for women in crisis and transient women. The facility receives funding from the Ministry of Human Resources but this funding covers only nine beds. There are often up to 22 women housed in the facility, causing a financial burden on the non-profit society operating it. As is typical with regional centres, there is no Second Stage housing available.

CITY OF KELOWNA

Services

Social Housing:		
- BCHMC Managed Units		
- Assisted Rental Units	7 : 2 bedroom units (8 on waiting list)	
Cooperatives		
Seniors	316 (private non-profit)	
Physically Disabled	12 units	
Mentally Disabled	24 group home units; 10 independent living units	
Transients		
Women in Crisis	22 beds	
RRAP (1984)	- 117 owned units - 41 rental units	value = $411,000

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Poor	Poor
Seniors	Good	Good
Disabled	Inadequate	Inadequate
Women in Crisis	Adequate	Adequate
Transients	No Comment	Adequate

CITY OF PRINCE GEORGE — SOCIAL HOUSING PROFILE

Introduction

Prince George is the third largest urban area in British Columbia. The city is heavily reliant on the forest industry for its economic vitality and, as such, has suffered a period of stagnation since 1981, reflecting the general problems affecting this resource sector. The city has become the financial, service and corporate centre of north-central British Columbia, and its importance as a transportation node has been enhanced by the Northeast Coal development. According to the city planners, Prince George's economy has experienced a modest upturn over the first quarter of 1986, although a return to the boom years of the 1970's is not predicted.

Demographics

Prince George is described as a family-oriented city. This is borne out by the fact that nearly 29% of the population is under the age of 15. By contract, only 3% of the population is over the age of 65. This is the lowest percentage of seniors found in any of the ten regional centres. Due to the harsh winter climate, Prince George is not considered a desirable retirement community.

Housing

Prince George's housing stock reflects the economic stagnation that has affected the area. There is a large inventory of unsold homes and serviced land, and a moderate vacancy rate for apartments. The housing stock is in relatively good condition compared to other regional centres, although the condition of rental units exceeds the provincial average.

Possible Implications and Concerns

1. It is stated that the high vacancy rates and depressed rental rates have made housing more affordable for low income groups. However, there is concern that persons on welfare, including a large number of single mothers, live in areas of the city that provide a less than desirable social environment. One area of Prince George in particular is widely considered to be a large low income slum. There, housing is provided by poor quality market rental units. Many welfare recipients inhabit this area of the city.

2. Because Prince George is a relatively compact city, problems associated with low income housing being situated in remote or inaccessible areas are not as evident as they are in centres such as Kelowna and Kamloops.

3. No major problems regarding housing for seniors were noted. Estimates of needy seniors by CMHC suggest that the British Columbia proportion of needy seniors in Prince George is less than 1% as compared to 1.25% for Kamloops, 2.25% for Nanaimo and 3% for Kelowna. It should be noted, however, that sources in Kelowna admitted that they were relatively unfamiliar with seniors housing needs. This may reflect the fact that most concern is diverted to low income families, a mirror image to the situation in Kelowna.

4. There is a shortage of housing for mentally disabled persons ready for independent living. Six group homes for the mentally disabled have a total of 25 beds, while 24 apartments for independent living are available. Currently, there is a 10 person waiting list for the group homes, and 10 persons now living in group homes are on a waiting list for apartments. No additional apartment units can be provided due to funding limitations by the Ministry of Human Resources.

5. There does not appear to be a large demand for housing by the physically disabled. Prince George did at one time have a four bed group home, but could only fill one-half of the beds. This resulted in the facility being allocated to the mentally disabled.

6. Short-term housing for transient women and women in crisis is provided by a Transition House. The facility has 22 beds and provides for an average stay of 10 nights per client. No second stage housing is available.

7. Transient and low income single men are housed in a downtown hotel which received subsidies from the Ministry of Human Resources. Several sources, including one representative from the Ministry of Human Resources, cited the hotel as being in a rundown state.

CITY OF PRINCE GEORGE

Services

Social Housing:	
- BCHMC Managed Units	126 units (family = 120; seniors = 6)
- Assisted Rental Units	7 - 2 bedroom units (8 on waiting list)
Cooperatives	
Seniors	
Physically Disabled	
Mentally Disabled	25 group home beds 24 apartments for independent living
Transients	22 bed Transition Facility
Women in Crisis	17 beds (5 to 30 day stay)
RRAP (1984)	- 105 owned units - 16 rental units value = $548,000

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Adequate	Poor
Seniors	Good	No Comment
Disabled	Inadequate	Inadequate
Women in Crisis	Adequate	Adequate
Transients	Poor	Poor

CITY OF NANAIMO — SOCIAL HOUSING PROFILE

Introduction

Located on the central-eastern coast of Vancouver Island, Nanaimo has a population of approximately 47,000 people. The city is the retail and transportation hub of northern Vancouver Island. The economy of the area has been heavily dependent upon the forest industry and the community has experienced a severe economic downturn during the recent recession. The unemployment rate in the community is approximately 15%, but it is believed that the worst of the recession is over. Currently, the city is moving from dependence upon the forest industry to retail services, tourism and aquaculture.

Demographics

The proportion of persons under 15 and over 55 is the same: 20% in both categories. Nanaimo has been identified as a popular retirement community because of its climate. The proportion of persons over the retirement age of 65 is approximately 11%.

Housing

There are about 17,500 dwelling units in the city, with 71% owned and 29% rented. The condition of the housing is generally good in both owned and rented categories.

Possible Implications and Concerns

1. While the availability of housing is good and prices are relatively low, even rents of $275 are too high for welfare recipients and the unemployed. Currently, the average rental for one bedroom apartment units is $283.

2. Housing for seniors is less of an issue in Nanaimo because of excellent facilities with a wide range of services, from independent apartments to full-time care units. It is stated that the supply of housing is generally in line with current demand.

3. Single families seem to face a stability and security problem in terms of housing. Frequent address changes of single families attest to this problem.

4. Housing services for the mentally disabled appear to be adequate. The Haven Society has expanded its facilities and a number of small developments exist to meet the needs of the mentally disabled. A number of individuals are cared for in private homes.

5. Low income persons are served by a 34 unit British Columbia Management Commission facility.

6. A transition house provides 9 beds for women with special needs. While this facility is adequate in terms of shelter, there is a lack of support services for women after leaving the transition house. It is also difficult for single women to secure affordable low cost housing. Second stage housing is considered a priority.

7. Facilities for transient and homeless persons are limited. The Salvation Army provides temporary housing through contractual arrangements with local motels. The service provided is for shelter only; there is little or no counselling or support service for transients.

CITY OF NANAIMO

Services

Social Housing:		
- BCHMC Managed Units	34 single family	
- Assisted Rental Units		
Cooperatives		
Seniors	3 : 250 to 300 units	
Physically Disabled		
Mentally Disabled	20 units (handicapped are absorbed into the community)	
Transients	6 beds contracted in local motels	
Women in Crisis	9 beds	
RRAP	- 268 owned units - 67 rental units	value = $905,000

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Adequate	Inadequate
Seniors	Good	Good
Disabled	Good	Adequate
Women in Crisis	No Comment	Adequate
Transients	No Comment	Adequate

CITY OF CRANBROOK — SOCIAL HOUSING PROFILE

Introduction

Cranbrook is located in the Eastern Kootenays in south-eastern British Columbia. Cranbrook has a population of about 16,000. The economic recession in this area has deepened over the past months because of the decline in coal, copper and zinc prices. Large numbers of lay-offs have occurred from the Cominco mines in the Selwyn Valley and from the Elk Valley coal mines. The unemployment rate for the area is about 30%. Families who have lived in the Cranbrook area for three generations are finding their whole economic stability shattered.

Demographics

Cranbrook has a high proportion of young adults and middle-aged persons. Only 20% of the population is under 15, slightly lower than the provincial average. The proportion of persons over 65 is 6% as compared to the provincial average of 10.9%.

Housing

There are about 5,400 dwelling units in the city with 75% owned and 29% rented. While the proportion of substandard dwellings is higher than the provincial average for both owned and rented units, compared to other regional centres the quality of the housing stock is relatively good.

Possible Implications and Concerns

1. The economic recession has resulted in the highest number of housing units ever recorded on the market. The proportion of vacancies in rental units is the fourth highest observed among the 10 regional centres. However, along with Prince Rupert and Trail, Cranbrook is one of only three regional centres experiencing an upward trend in vacancies. All other communities have seen rental vacancies either drop or remain stable over the period April to October 1985. In spite of the availability of housing, affordability by low income groups may become an issue in the near future. Persons on unemployment insurance benefits or on welfare may have to vacate their homes due to an inability to maintain mortgage payments.

2. There is a degree of housing shortage for seniors in Cranbrook. There is a long waiting list for intermediate care facilities. However, it is stated that seniors are moving out of one housing facility due to excessive heating costs.

3. The availability of housing psychiatric patients at various states of recovery is good. A non-profit society operates integrated housing and care facilities in Cranbrook. These facilities assist individuals in integrating into the community. There is an occasional vacancy in this facility and physically disabled persons are sometimes accommodated.

4. The Safe Home Program provides 12 beds in 8 separate homes dispersed throughout the community. The number of beds provided is considered adequate; however, single mothers do have difficulty on obtaining affordable housing after leaving the Program. Second stage housing is considered to be a priority service. This acknowledges the fact that single mothers often require ongoing support to enable them to successfully live independently.

5. No facilities for transients were reported.

CITY OF CRANBROOK

Services

Social Housing:	
- BCHMC Managed Units	44
- Assisted Rental Units	
Cooperatives	
Seniors	45 units (private non-profit)
Physically Disabled	
Mentally Disabled	Ex-psychiatric patients — 14 people catered for by Rocky Mountain Housing Society
Transients	
Women in Crisis	12 beds provided in 8 private homes
RRAP	No data available at local level

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good	Good
Seniors	Moderate (need more intermediate care)	Moderate
Disabled	Good	Good
Women in Crisis	No Comment	Good
Transients	No Comment	No Comment

CITY OF TRAIL - SOCIAL HOUSING PROFILE

Introduction

No regional centre in British Columbia is more closely tied to the prosperity of a single industry than is Trail to Cominco. The sagging fortunes of the zinc and lead industry have translated into stagnation for Trail's economy. There has been little or no development in the area for several years. The current unemployment rate of estimated to be over 20% and there is no immediate relief in sight. The major focal point of interest is the possible modernization of Cominco's lead smelting facility, now on hold awaiting the outcome of negotiations between Cominco and the Provincial Government. The economic adversity experienced by Trail has succeeded in galvanizing widespread support in the community to diversify the economic base. The Economic Action Development Committee is working hard to expand Trail's function as a sports, tourism and recreation centre.

Demographics

Trail has the third highest proportion of seniors among the cities profiled, exceeded only by Kelowna and Victoria. This phenomena is attributed to the fact that many retiring seniors who previously might have migrated to Kelowna and Vancouver Island are being discouraged by high housing costs. It is also suggested that seniors are recognizing that as the Trail area offers many recreational opportunities and services, it is a desirable place to retire. While Trail is described as a family-oriented city, the proportion of population under 15 years of age is low compared to other regional centres, and is slightly below the provincial average.

Housing

Trail is an old city. As much of the urban area is completely developed, most new housing has been built in adjacent bedroom communities. The general quality of the housing stock is not as good as that of most other regional centres. In 1981, 6.5% of owned dwellings and 8.4% of rented dwellings were in need of major repairs. These percentages were second and third highest respectively among the nine regional centres.

Possible Implications and Concerns

1. The average rental vacancy rate in October 1985 was nearly 25%. The resulting low rental rates have increased the affordability of housing to low income groups. It is believed that even if modernization of Cominco's lead smelting facility proceeds, the influx of workers can be easily accommodated without causing a housing shortage. Despite the

availability of housing, it is stated that the quality of accommodation is poor in the lower income units. The current uncertainty in the economic climate has discouraged some apartment owners from investing in maintenance.

2. Trail appears to have a relatively large amount of seniors housing considering the population of the area. Two facilities provide a total of 168 intermediate care beds. However, the Columbia Manor, which provides for seniors who require continuing care, has a waiting list of over one year. The other facility, for seniors who are some-what less dependent for care, has a waiting list of about two months. There are also three apartment developments situated in communities adjacent to Trail which provide for an independent living. The independent living facilities appear to provide accommodation only. There are apparently no common areas to permit social events and this is considered to be a deficiency of these developments.

3. The mentally disabled have access to two separate group homes providing accommodation for 10 to 12 persons. There is a waiting list for the group homes. No information could be provided regarding the needs of or facilities available for the physically disabled.

4. A transition house provides 13 beds for women with special needs. The size of the facility is considered adequate. It is reported that the availability of affordable housing is good for single mothers.

5. No facilities for transients were reported.

CITY OF TRAIL

Services

Social Housing:	
- BCHMC Managed Units	7 - 2 bedroom units, no waiting list
- Assisted Rental Units	
Cooperatives	
Seniors	84 intermediate care units; 84 apartments; 60 private non-profit
Physically Disabled	
Mentally Disabled	4 units
Transients	No facilities
Women in Crisis	13 beds
RRAP	No data available at local level

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good	Moderate
Seniors	Good	Good
Disabled	Moderate	Moderate
Women in Crisis	Good	Good
Transients	No Comment	No Comment

CITY OF FORT ST. JOHN — SOCIAL HOUSING PROFILE

Introduction

Fort St. John is the major centre of the North Peace River region of British Columbia. The area has a relatively diversified, resource-based economy. Primary activities include forestry, coal, agriculture and oil and gas. Until recently, the oil and gas sector has helped lessen the impact of the recent recession. However, lower world oil prices have caused concern that economic problems for the community will continue and may even worsen.

Demographics

Fort St. John is a family community with a large proportion of persons in the 15 to 55 age group. The proportion of children under 15 years of age is nearly 30%, the highest of any city in British Columbia. Conversely, the proportion of seniors is among the lowest in British Columbia, with only 3.4% of the population over the age of 65.

Housing

There are 4,600 dwellings in Fort St. John. Generally, the housing quality is not as good as that observed in other British Columbia cities. The proportion of rental units needing major repair is nearly 9%, the second highest among the 10 cities profiled. With 5.9% of the owned dwellings in need of repair, Fort St. John ranks third highest among the 10 cities profiled.

Possible Implications and Concerns

1. Fort St. John has the third highest overall vacancy rate for rental units among the 10 cities profiled. While the vacancy rate of 14.8% as of October 1985 is high, it was lower than the 21.8% recorded in April 1985.

2. Fort St. John has among the lowest rental rates of any community in British Columbia. It is reported that some low income persons remain in the city to take advantage of the low cost of rental housing.

3. The needs of the mentally disabled are served by two group homes. One group home contained three units. The other group home contained six units and incorporates a skill development centre as well.

4. There is a five bed Transition House for special needs women.

5. Six rooms in a local hotel have been contracted by the Ministry of Human Resources to provide temporary lodging for homeless men.

6. The British Columbia Management Commission provides a 12 unit facility for seniors.

7. In general, there appears to be satisfaction that the social housing services and facilities in Fort St. John are meeting the needs of the community.

CITY OF FORT ST. JOHN

Services

Social Housing:	
- BCHMC Managed Units	40 units (28 family; 12 seniors)
- Assisted Rental Units	
Cooperatives	
Seniors	
Physically Disabled	
Mentally Disabled	9 group home units
Transients	6 rooms
Women in Crisis	5 beds
RRAP	No data available at local level

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good	Good
Seniors	Good	Good
Disabled	Good	Good
Women in Crisis	Good	No Comment
Transients	Good	Good

CITY OF PORT ALBERNI - SOCIAL HOUSING PROFILE

Introduction

Located at the head of Alberni Inlet on the west coast of Vancouver Island, Port Alberni has a population of about 20,000. The economy of the area is dependent on the fortunes of the forest industry, particularly the McMillan Bloedel Sawmill and Pulp and Paper plant. Tourism and fishing are other small contributors to the economy. Because of the recession in forestry, the economy of the area has been depressed since 1982, with high unemployment rates and no immediate prospect for recovery. The fishing industry has also been in a slump.

Demographics

Seventy percent of the population is between the ages of 15 to 55. The proportion of children under 15 years of age is higher than the provincial average but lower than several other regional centres. There is a low proportion of senior citizens in Port Alberni, suggesting that the area is not a popular retirement community.

Housing

There are about 6,800 dwellings in Port Alberni, with 73% of the dwellings owned and 27% rented. The quality of the dwellings is relatively low compared to other British Columbia cities. Over 5% of the owned dwellings and nearly 12% of the rented dwellings are in need of major repairs.

Possible Implications and Concerns

1. Although the vacancy rate for rental units is relatively low compared to other cities, the rental rates are among the lowest in British Columbia. Housing is considered to be affordable at the present time.

2. Since 1982 the number of families on welfare assistance has doubled. There is some movement of families into Port Alberni from other areas. The reason offered for this in-migration is that the low rental rates are attracting low income families.

3. Facilities for the mentally disabled are considered to be good. There is one group home for mentally disabled persons and one group home for persons with mental illness. Vacancies are available in these homes.

4. The subsidized housing provided by the British Columbia Housing Management Commission rarely has any vacancies. There is a shortage of housing reported for single persons.

5. Many single family homes are reported to be vacant.

6. It is reported that many homeowners on welfare assistance are now paying rent to mortgagors instead of making mortgage payments.

7. Social advocacy groups are concerned about the state of disrepair of rental accommodation and are currently surveying the extent of the problem.

8. The Port Alberni Women's Resources Centre provides 17 beds for women with special needs. The number of beds is considered adequate. A priority is to develop second stage housing.

9. The Friendship Lodge contains 28 beds for both male and female transients. This facility is considered adequate for the needs of the community.

CITY OF PORT ALBERNI

Services

Social Housing:	
- BCHMC Managed Units	64 family units
- Assisted Rental Units	
Cooperatives	
Seniors	A large intermediate care facility is available
Physically Disabled	
Mentally Disabled	One group home
Transients	20 beds
Women in Crisis	17 beds
RRAP	No data available at local level

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good	Availability and affordability — good, quality — poor
Seniors	Good	Good
Disabled	Good	No Comment
Women in Crisis	Good	Adequate
Transients	Good	Good

CITY OF PRINCE RUPERT - SOCIAL HOUSING PROFILE

Introduction

Prince Rupert is located on the northwest coast of British Columbia. The city has a diversified economy. Principle industries include coal and grain shipping, pulp and paper manufacturing, fishing and tourism. The diverse economic base has helped Prince Rupert survive poor economic times better than several other of the smaller regional British Columbia centres. However, with an unemployment rate of nearly 15%, the economy is in some difficulty. One problem noted was the fact that several large industrial developments which had been anticipated by the community now appear to have an uncertain future. It was stated that housing construction in Prince Rupert has been higher than would have otherwise been expected due to the prospective development of these large industries (e.g., the LNG facility).

Demographics

Prince Rupert has the third lowest proportion of senior citizens among the 10 cities profiles. The proportion of children under the age of 15 is about 27% as compared to 21.4% for the province as a whole.

Housing

There are about 5,200 dwellings in Prince Rupert, with 59% owned and 41% rented. The proportion of rental dwellings is the second highest among the 10 cities profiles. Most construction since 1980 has been of the multi-family variety. Prince Rupert has the second highest overall vacancy rate for rental dwellings. In view of this fact, it is somewhat anomalous that the city had relatively high rental rates as recently as October 1985. However, reports are that rental costs are currently declining from these previously high rates.

Possible Implications and Concerns

1. The British Columbia Housing Management Commission has seven developments with housing for 390 families and 37 seniors. There is a high vacancy rate reported for these units.

2. The seniors' developments contain several units for the disabled. Facilities for the mentally and physically disabled are considered to be adequate.

3. A transition house provides 10 beds for women with special needs. It is reported that the supply of housing for single mothers is good. A major priority is to provide more support services for single mothers. During periods of low occupancy, the transition house will provide temporary accommodation for transient women.

4. There is a hostel available for transient men. The facility is reported to provide an adequate level of services.

5. It was reported that the range of social housing services and facilities were generally adequate for the needs of the community.

CITY OF PRINCE RUPERT

Services

Social Housing:	
- BCHMC Managed Units	343 family units; 37 senior units
- Assisted Rental Units	
Cooperatives	
Seniors	51 units (private non-profit)
Physically Disabled	
Mentally Disabled	
Transients	A hostel is available
Women in Crisis	10 beds
RRAP	No data available at local level

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Good	No Comment
Seniors	Good	No Comment
Disabled	Good	No Comment
Women in Crisis	Good	Good
Transients	No Comment	Good

GREATER VICTORIA — SOCIAL HOUSING PROFILE

Introduction

Greater Victoria is the second largest urban centre in British Columbia with a 1981 population of 233,000. Although Victoria is commonly considered to be primarily dependent on the provincial government for much of its employment, the economy of the area is diversified, and the trend towards further expansion of the economic base is evident. Approximately one-third of the areas employment is involved in the service sector, with tourism being of particular importance. Victoria is also the centre of several educational and research facilities and is emerging as a centre for the high technology industry as well. The nature of Victoria's economic base has tended to reduce the negative impacts of the recent recession.

Demographics

The importance of Victoria as a retirement centre is reflected by the fact that in 1981, 17% of the population was over the age of 65. The percentage of seniors in Victoria is higher than any other major centre in British Columbia, and is well above the 1981 provincial average of 10.9%. On the other hand, the proportion of children under the age of 15 is relatively low at 17% in 1981 as compared to the provincial average of over 21% in 1981.

Housing

The housing market in Victoria is described as active. The number of homes for sale is about the same as it has been over the past several years and sales are termed brisk. Victoria has the highest proportion of renter occupied dwellings of any city profiled, about 46%. At the same time, the quality of the rental housing stock rates highest compared to the other nine cities, while the quality of the owner-occupant housing stock is second best, behind Kelowna. The pattern of housing development throughout the Victoria Metropolitan area is diverse, reflecting the character of different communities. In central Victoria, the tendency is towards redevelopment and multi-family housing. Sydney is now receiving a substantial amount of town housing development. By contrast, the more rural western communities are the focus of single family housing development.

Possible Implications and Concerns

1. With seniors being a relatively large proportion of Victoria's population, several organizations expressed concerns about the affordability of housing due to the relatively high rents. At the same time, there appears to be an adequate supply of available housing.

2. It is reported that many low income singles and families have serious housing affordability and availability problems, with difficulties being particularly acute for single mothers. It is commonly stated that many rental developments discriminate against families with children. Moreover, the financial resources of low income families and singles make it difficult to acquire affordable, suitable housing. The Capital Regional District Housing Corporation recently had a waiting list of more than 500 households. Those persons or families unable to find other alternatives are being forced to find other living arrangements in the private market. Many low income families and persons pay more than 50% of their monthly incomes for housing. The current shelter allocation from welfare allowances is considered too low for an individual or a family to acquire accommodation.

3. There is one Transition House which provides beds for 12 persons. The priority client group is battered women. The size of this facility is small considering the population of Victoria, and it is suggested that the demand for Transition House services would warrant doubling the number of beds provided. Although the Ministry of Human Resources houses overflow cases in hotels, this arrangement is considered unsatisfactory due to the lack of associated support services. There is no second stage housing. Currently, numerous groups in Victoria are assessing the need for this type of facility.

4. There is a hostel serving the short-term accommodation needs of transient men and women. The hostel normally allows clients a three night stay, but exceptions are made. While the number of beds are considered adequate, there is little provided in the way of support services for clients of the hostel, many of whom have social problems. A major concern is that clients of the hostel appear to have limited access to permanent, affordable housing.

5. Victoria has a wide selection of housing facilities for the mentally and physically disabled. These include extended care facilities, group homes, and units for independent living. Several cooperatives also provide units designed for the physically disabled. There is an apparent shortage of housing for the various disabled groups. The Capital Regional Housing Corporation reports a waiting list of 70 for its 31 specially designed units. Housing for the mentally disabled is similarly scarce. One group reports a waiting list of 150 persons for 57 available units. Apart from supply shortages, there are also concerns regarding the design of units for the physically disabled. A problem associated with cooperatives is that locations are unsuitable.

GREATER VICTORIA

Services

Social Housing:	
- BCHMC Managed Units	541 units (368 family; 173 senior)
- Assisted Rental Units	
- Capital Regional Housing Corporation	460 units (waiting list = 401 households)
Cooperatives	
Seniors	815 units (private non-profit)
Physically Disabled	37 units (waiting list = 70)
Mentally Disabled	57 units (waiting list = 150)
Transients	60 beds
Women in Crisis	12 beds (Transition House)
RRAP	- 296 owner-occupant loans - 371 rental loans value = $1,249,000

Evaluation (level of satisfaction that services are meeting needs):

Client Groups	Agencies	Interest Groups
Low Income	Moderate	Poor
Seniors	Good	No Comment
Disabled	Poor	Poor
Women in Crisis	Moderate	Inadequate
Transients	No Comment	Poor

AGENCIES INTERVIEWED

Kamloops	City of Kamloops Planning Department B.C. Ministry of Health YWCA B.C. Ministry of Human Resources B.C. Ministry of Lands, Parks and Housing Cariboo College Kamloops Christian Men's Hostel
Kelowna:	City of Kelowna Planning Department Orchard Valley Housing Society B.C. Ministry of Health B.C. Ministry of Human Resources Community Resource Bureau SHARE Kelowna and District Society for the Mentally Handicapped Central Okanagan Women's Emergency Shelter Society
Prince George:	City of Prince George Planning Department B.C. Ministry of Human Resources B.C. Ministry of Health United Way Phoenix Transition House Welfare Rights and Self Help Aim High B.C. Housing Management Commission
Nanaimo:	Regional District City of Nanaimo Planning Department Unemployed Action Centre B.C. Housing Management Commission B.C. Ministry of Human Resources Lion Villa Seniors Centre Vancouver Island Haven Society Nanaimo Association for Intervention and Development Salvation Army Safe Home Program
Cranbrook:	East Kootenay Regional District Rocky Mountain Housing Society B.C. Housing Management Commission B.C. Ministry of Health
Fort St. John:	Canada Manpower North Peace Community Resources Centre

Port Alberni:	Ministry of Human Resources
	Canada Manpower
	Organization of Unemployed Workers
	Port Alberni Women's Resources Society
	Port Alberni Friendship Lodge
Prince Rupert:	B.C. Housing Management Commission
	City of Prince Rupert Planning Department
	Prince Rupert Transition House
Trail:	City of Trail Planning Department
	Trail Chamber of Commerce
	Century 21 Ltd.
	Columbia View Lodge
	B.C. Ministry of Human Resources
	Women in Need Society
Victoria:	Capital Regional District
	- Health Department
	- Municipal Services Department
	Victoria Real Estate Board
	Victoria Chamber of Commerce
	B.C. Ministry of Human Resources
	Transition House
	Single Parent Resources Centre
	Victoria Cool-Aid Society
	Handicapped Action Committee
	Independent Living Housing Society of Victoria

Appendix K

MEETINGS WITH COMMUNITIES OUTSIDE THE LOWER MAINLAND

MEETINGS WITH COMMUNITIES OUTSIDE OF LOWER MAINLAND

On April 11, the Commissioners each visited a different community in British Columbia in order to meet with a variety of local politicians, community leaders, social housing managers and residents, labour representatives and social service agencies. Commissioners wanted to learn of local and regional housing concerns and to visit local social housing programs. Commission Chairman, James Cosh, made a similar visit to Trail on May 16.

Communities visited were chosen according to criteria of geography and accessibility. Given the time constraints of the study, it was not possible to visit a sample of communities representative of other important criteria such as size, degree of remoteness, demographic composition, number of social housing projects, or uniqueness of housing needs.

The following is a brief account of each of the three community visits.

1. James Cutt visited Nanaimo, and first met with Ms. Allison Habkirk, a community planner with the City. She reported that the vacancy rate in Nanaimo has fallen from about 20% to 6%, although rents do not seem to be rising correspondingly. Generally, private-sector housing appears to be meeting housing demand in Nanaimo, except for special needs housing, including emergency shelter and second stage housing. Accommodation for seniors appears to be adequate, although a waiting list persists for accommodation in intermediate care facilities.

   The need for emergency shelters and second stage housing in Nanaimo is critical, as it is in many communities outside of the Lower Mainland.

   Mr. Cutt also visited Ms. Laurel Henderson, the manager of a 34-unit BCHMC project in Nanaimo. The project is situated in a low-density residential area, near farmland. All units in the project are income-tested, and all house families, primarily single-parent families (over half of which are headed by women). The turnover of tenants in the project is relatively high, so that the project seems to act as a "transitional" housing to some extent. This is encouraged through management policies for the project -- for example, internal movement among units in the project is not allowed. The project was an infill project and is well-integrated with the surrounding community in terms of design and lifestyle, although not necessarily by income.

   Mr. John Hillrich of the Unemployed Action Centre in downtown Nanaimo identified children, battered women and adolescents as urgently requiring emergency shelter facilities. As well, the number of mentally handicapped people requiring accommodation has increased since deinstitutionalization policies have been in effect. Some middle-aged men and women are without homes in the community. There is a relatively high proportion of existing housing stock in the community which is substandard, and this phenomenon is common among communities outside of the large urban centres. Finally, Mr. Hillrich stressed that all housing policies should work towards providing integrated communities, integrated not only by income but by family type, age, physical capability, and ethnicity.

2. Commission Chairman James Cosh visited Kamloops and met first with the BCHMC District Manager, Tom Proudbek, and the Department of Lands' local manager, Mr. Hamm. A demographic profile of Kamloops illustrates that the community's age distribution is not typical in that there is a "bulge" in the 20 to 35 age cohort, and the community has a large number of single parents. The supply of seniors' housing appears to be adequate.

   The closure in 1984 of Tranquille, an institution for mentally handicapped people, has been a success. Former residents are now living in the community, many in group homes.

   Resource people at the local Ministry of Human Resources reported that single-parent families headed by women, and middle-aged women are the two groups most in need of housing currently. Higher income supplements for these women are required in order for them to find appropriate shelter in Kamloops. Some of the private-sector stock in the community is in disrepair.

   Workers in the Long-Term Care program reported that more than 20% of patients currently in local care facilities could be living independently in the community if better support services were available to help keep people in their homes. The Homemakers' Society echoed this idea and indicated that the top priority should be support systems for seniors. The delivery system is in place, but budgets are too thin to keep these systems effective.

   Women's groups in Kamloops focussed on the need for better shelter facilities (including second stage housing) for women, particularly teenage mothers. Women re-entering the work force also find that housing is not affordable because of "start-up" costs associated with working again (transportation and clothing costs rise). Again, a number of existing private rental projects in poor repair was mentioned.

   The Economic Development Officer at City Hall explained that since amalgamation in Kamloops, zoning per se has not been used as a regulatory tool by the municipality. Land uses emerge and change according to a set of evaluative criteria on a site-by-site basis, rather than an area zoning plan. This means that housing can be located in proximity to commercial, institutional, park, or light industrial uses. He also explained that the City does not have an active inspection program for existing apartments, checking maintenance and health conditions.

Mr. Cosh made brief field visits to some of the privately-owned housing stock and found it to be in poor condition, as community leaders had indicated. The City appears to have relaxed enforcement of housing standards, and the resulting disrepair of some of the housing stock is visible.

The 12 duplex units operated by BCHMC are in good repair and well accepted by the community. The 60-unit cooperative, which currently has a vacancy, is about one mile from shopping facilities and about four miles from the city centre educational and work opportunities for single parents and teenage mothers.

3. Vice-Chairman Shelley Tratch visited Cranbrook in the East Kootenays. The population is 17,500 (1983); unemployment is 13.4% in the East Kootenays; the average age in the community is 26; and the community has a vacancy rate of 10.5% (October 1985). The community has a number of business club organizations and social services including homemaking, Meals on Wheels, housekeeping services offered by "Hospice," and special transit services for the disabled and elderly.

Don Barker, Maintenance/Housing Coordinator for BCHMC, and local agent John O'Reilly, spoke with Ms. Tratch about the 44 family units managed by BCHMC. The eight two-bedroom units are in fourplexes; the two four-bedroom units are single family dwellings, and the 34 three-bedroom units are in a combination of town houses, duplexes and single-family dwellings. The BCHMC also manages 17 units under the Assisted Rental Program (ARP), which are scattered among three projects. Of the 61 units in total, only four were vacant at the time of the visit, and these were all committed. The BCHMC family units were all very well maintained, to standards matching (and in some cases exceeding) those in the surrounding community. It was reported that the "families-only" policy for these units can cause hardship for low-income young couples without children and for empty-nesters who must leave the project once their children leave. Generally, housing for seniors (other than long-term care facilities) was considered adequate in the area, but middle-aged singles require more housing options.

Doug Hislop, of the Department of Mental Health, and George Laurie of the Rocky Mountain Housing Society, explained that their non-profit society plans, builds, and now operates three community living homes for the disabled. These homes were originally conceived for emotionally/psychiatrically handicapped individuals but are now housing the physically handicapped as well. The homes manage to provide a cooperative living style for residents, but are not "cooperative associations." These group homes provide a "community living skills" program, have been designed with the assistance of the residents, and can act as transitional housing for residents who are awaiting long term care facilities. The life skills program also helps send residents back into the community. The society's president reported that the group homes have been very successful in the area.

A number of the BCHMC projects were visited. Ms. Tratch spoke with tenants in the townhouses or "row housing" units. Tenants appeared content with their homes and, although all units are income-tested, no one referred to a feeling of ghettoization. All units are very well maintained and it was felt that this was a key factor in the acceptance of the projects in the community.

The Mountain View Seniors' Housing Project, built and operated by the Lions Club, was also visited. However, Ms. Tratch was unable to speak with any of the residents.

There was a general concern that some of the privately-owned housing utilized under the Rental Assistance Program was not being adequately maintained. There was some frustration on the part of BCHMC personnel in being unable to do anything about this lack of maintenance.

The Commissioner's general impression was that Cranbrook's residents are relatively well-housed.

4. Commission Chairman, James Cosh, spent the afternoon of Friday, May 16, 1986 in Trail to accumulate background information on the community and its needs. Tom Proudlock, Regional Manager for the British Columbia Housing Commission, accompanied him on his visits in Trail.

While in Trail, he met with the following individuals:

> Peter Kagis, Regional Manager for the Ministry of Human Resources
>
> Mary Hammond and Julia Morrison, Executive of the Society providing housing to women with special needs.
>
> John Marco, Social Worker, and Norman Hatlevik, Administrator of the Intermediate Care Facility

The downturn in the Trail economy, as a result of cutbacks in employment at the Cominco smelter, has resulted in early retirement of many employees. That, coupled with the continued residence in the community of normal retirees from the smelter, results in one of the larger proportions of senior citizens in the population of any community in British Columbia.

The large ratio of senior citizens in the population, coupled with the relatively high vacancy rates, i.e., 15%-30% and increasing, means a significant problem in the community centers on the support facilities for senior citizens. Some innovative ideas emerge from discussions with the representatives of the community contacted.

It does not necessarily make sense to construct additional intermediate care facilities in a community like trail. Those facilities which do exist should be focussed on providing respite, i.e., part-time accommodation for senior citizens who require temporary additional care. Efforts should be focussed on expanding the support facilities for senior citizens continuing to reside in their own residence. Some of those additional support facilities are:

- Increased transportation facilities for senior citizens.
- A central food dispensary to which senior citizens could be transported daily for their meals (transporting the senior citizen to the meal is desirable as compared with meals-on-wheels because of the social aspects of the meal time and the assurance that the senior citizen is keeping in reasonable health).
- Increased home help for senior citizens in home maintenance, etc., within their own homes.

Much of the above may be provided by senior citizens in the community helping each other as opposed to expanding the infrastructure of support services. Such a development would require some additional administrative support, etc.

One idea suggested was the purchase of an under-utilized downtown hotel with cooking facilities, etc., and using it as a senior citizens food centre and temporary housing facility.

Women with special needs require a second stage housing option to prevent them from feeling forced to return to a living arrangement which has not been satisfactory. Within a small community such second stage residents cannot be "confidential" and it may be sensible to use existing social housing stock to provide the necessary accommodation. In effect, what is required is a transitional facility where women might be housed with their families while they receive training and assistance in operating on their own.

The numbers of families requiring this additional service is estimated as follows based on the numbers looked after by the transition house facility visited:

Mother and one child	7
Mother and two children	8
Mother and three or more children	5

Emphasis was placed on the need to integrate the housing facility with the transition house so that required training, etc., could take place.

Although much of the housing stock is quite old, it appears to be in reasonable repair. There are no specific problems in housing any segment of the community in need, i.e., transient women or middle aged women, and there were no apartment blocks or privately owned facilities referred to as sub-standard social housing.

Appendix L

INDIVIDUALS CONTACTED FOR INFORMAL BRIEFINGS

INDIVIDUALS CONTACTED FOR INFORMAL BRIEFINGS AND BACKGROUND INFORMATION

MARCH 19, 1986 THROUGH APRIL 14, 1986

Mr. Robert Flitton - Deputy Minister, Lands, Parks & Housing

Bryan Williams - Chairman, Wilderness Advisory Committee

Rick Krowchuk - Director, Treasury Board Staff

Peter Stobie/Al Stein - British Columbia Housing Commission Staff

Paul Fraser - Commission of Inquiry on Pornography

Russell Anthony - Co-Author of a Handbook on Commissions of Inquiry

Various residents at the Dera Co-op, 638 Alexander Street

Management and proprietors of three downtown east-end hotels

Management of Victory House

Management and residents in a co-operative on False Creek

Peter Robinson - British Columbia Housing Commission Staff

Management and certain residents at the Rose Blanchard Housing Development

Hugh Creighton - Creighton Property Management

Andrew Armitage - Superintendent of Child Welfare, Ministry of Human Resources

Jeff Greenhalgh - Director of Planning, City of Victoria

Ann McAfee - Researcher, City of Vancouver Planning Department

Victoria Garland/Robert Nicklin/Keith Tapping - Central Mortgage and Housing Corporation

John Jessup - Social Planning, City of Vancouver

Enid Buchanan - Manager, British Columbia Housing Commission

Jack Kempf - Minister, Lands, Parks & Housing

Appendix M

SOCIAL HOUSING CONFERENCE, MAY 31, 1986

SUMMARY REPORT

Conference on Social Housing Policy Options

Robson Square Media Centre - May 31, 1986

Summary Report

Introduction

The Social Housing Commission of Inquiry held a Conference on Social Housing Policy Options on May 31, 1986. The purpose of the Conference was to provide the public an opportunity to review the Commission's preliminary report, **In Search of Common Ground**, evaluate alternative Social Housing Programs and discuss ways in which to allocate housing resources among needy groups.

The Conference was advertised provincially in major daily and weekly newspapers. More than 500 Conference registration forms were mailed out and registration for the Conference numbered 147 persons. A total of 105 persons attended the morning session, while 79 persons participated in the afternoon workshops. The Conference proceedings were video taped.

Results of the Morning Session

Following introductory comments by Conference Chairman, Dr. Ann McAfee, and by Commission Chairman, Mr. James Cosh, comments and suggestions on the preliminary report were made by representatives of six constituencies involved in Social Housing: seniors, disabled persons, women with special needs, low income people, the housing industry and public service organizations. Ms. Linda Irving, Chairman of the Alternate Social Housing Inquiry, and Mr. Ross Gentleman of the Co-op Housing Federation of B.C. were also invited to address the Conference.

The speakers expressed general agreement that the preliminary report had identified many of the major issues facing Social Housing. Reflecting the interests of their different constituencies, the speakers emphasized the specific concerns of the various user groups, including:

- the need to integrate disabled persons with other households and income groups;
- the importance of having more user involvement in the design and management of Social Housing developments;
- the immediate needs of battered women for more short and intermediate term housing;
- the current lack of attention to single women;
- the current need for more social housing construction;
- the adverse impact of municipal zoning requirements and development cost charges on housing development;
- the need for better coordination and more cooperation among government agencies, interest groups and the private sector;
- the need to establish security of tenure;
- the importance of recognizing religious and cultural ties in the development of Social Housing for the ethnic elderly; and
- the importance of protecting tenant's rights.

In general, the speakers stressed the importance of providing a larger amount of suitable, affordable housing. While it was recognized that those persons most in need should be a high priority, there was considerable support for the development of housing with mixed income groups as well.

Following reports by the speakers, the Commission invited questions and comments from the floor. The 15 persons speaking to the Commission during this phase of the Conference had mixed opinions about the preliminary report. Several speakers expressed support for the direction taken by the preliminary report, indicating agreement that a mix of programs is needed to meet short and long term Social Housing needs.

A number of the speakers were critical of some aspects of the report and suggested areas where future work was required. Several of the broad concerns were as follows:

- there should be an evaluation of alternate Social Housing programs;
- GAIN/SAFER rates are too low and should not be categorized as social housing programs;
- subsidies to the private housing market should be analyzed;
- co-ops have been unfairly criticized;

- there should be attention to the protection of tenant's rights;

- the report should be critical of the Provincial Government's level of commitment to the funding of Social Housing;

- effects of municipal regulation on Social Housing development need to be discussed;

- cost comparisons made in the report are inaccurate; and

- specific needs of small communities need to be considered.

Results of the Afternoon Session

The original agenda for the five simultaneous afternoon session workshops was modified to reflect the priorities fo the Conference attendees. The original format for the workshops called for the participants to evaluate the applicability of different housing programs to the needs of different user groups and to discuss various allocation scenarios. Instead, the workshops conducted a broad discussion of social housing issues. A representative from each workshop presented a summary of findings to the plenary session.

The workshops amplified many of the issues and concerns presented earlier in the Conference. Amongst a wide range of opinions expressed, some additional points made at the plenary session were:

- Social Housing should be provided by non-profit groups;

- a mix of housing programs are needed to meet the short, medium and long term needs of different user groups in different communities;

- there must be coordination of housing facilities with support services;

- better access to information about housing programs is required;

- innovative, small-scale social housing programs should be explored; and

- governments should provide more land suitable for Social Housing.

Concerning the applicability of alternative housing programs, some argued that:

- Demand-side programs are most useful as short term responses to housing affordability problems provided that the level of assistance is adequate. They may be effective in communities with high vacancy rates. Some form of rent control program was also required. It was argued that demand-side programs will not increase housing supply. It was also noted that in some cases (e.g. disabled persons) suitable housing may not be available at any price.

- Shelter allowances and income supplements are preferred over rent supplements.

- Supply-side programs were proposed as a medium and long term solution to many Social Housing needs. These programs may allow for more user input into housing design and for more user control over management. Supply-side programs were argued to be more cost-effective in the long run as compared to demand-side programs, particularly if social benefits are considered. It was also recognized, however, that supply-side programs do not provide immediate help to persons facing crisis situations.

- A variety of complementary programs were also suggested as forming part of the Social Housing strategy, including regulatory measures to protect tenant's rights, more public education to address biases against Social Housing developments and the elimination of overly restrictive municipal regulatory policies.

Conclusion

Following reports from the workshops and several additional comments from the audience, Mr. Cosh summarized some of the key issues raised during the Conference. Mr. Cosh then outlined the next steps to be taken by the Commission:

- prepare and distribute a summary of the Conference;

- meet the week of June 2nd to map out a program of work leading to completion of a report in July.

Mr. Cosh concluded the Conference by thanking all those present for their participation.

If you would like further information please call the Social Housing Hotline: 683-3966. A more complete report on the Conference will be provided in the appendix of the final report of the Commission.

Appendix N

NEWSPAPER AD

SOCIAL HOUSING CONFERENCE AND HEARINGS

SOCIAL HOUSING COMMISSION OF INQUIRY

The Commissioners have been appointed by the Provincial Government to inquire into the effectiveness of the delivery of social housing in British Columbia in serving those most in need of assistance in obtaining affordable housing.

In its first stage the Commission held meetings with more than 50 organizations, made visits to several communities outside the Lower Mainland as well as to many projects in the Lower Mainland, reviewed 137 written submissions, handled several hundred Hotline telephone calls and gathered a substantial amount of information from technical reports.

From this initial overview, the Commission prepared a Preliminary Report entitled "The Search for Common Ground". This report was submitted on April 21st as required by the Commission's terms of reference. It is now available to the public.

The key recommendation in the Preliminary Report was the need for development of a management process in the area of social housing, together with establishment of a workable definition of social housing and an accompanying inventory of needs.

A number of major areas of concern emerged. They included:

- Lack of a focus on the requirements of special needs groups, such as the elderly and single parents.
- Lack of coordination in designing housing suitable for the disabled and no method of allocating available housing to the disabled.
- Lack of transition facilities to assist those with emergency needs arising from fire, family breakup and other drastic changes of circumstance.
- Inadequacy of the "user voice" in the development and allocation of social housing.

The Commission is now commencing the second and final stage of its program and intends to obtain information in greater depth through two approaches.

A Conference on Social Housing Policy Options

Purpose of the Conference will be to encourage a constructive exchange of ideas and suggestions from interested groups and individuals. Focus will be on the major issues and policy options raised in the Commission's Preliminary Report.

Saturday, May 31, 1986
Robson Square Media Centre
800 Robson Street
Vancouver, B.C.
9:00 a.m. to 4:00 p.m.

A copy of the Preliminary Report and the agenda for the Conference may be obtained from the Commission offices. Copies of the report will be available at all public libraries.

The public is invited to attend this Conference. There is no charge for admission. Due to space limitation, attendance is limited. To register and ensure that you will be able to participate, phone our Hotline:

683-3966.

Formal Hearings into Specific Complaints

To inquire into specific assertions or allegations of:

- abuses of the social housing system
- inappropriate or improper conduct
- mismanagement
- such other topics as the Commission may decide

as these matters relate to the delivery of social housing in B.C.

The Commission will hear evidence under oath, in accordance with the Procedural Rules of the Commission and provisions of the *Inquiry Act* of British Columbia, commencing:

Monday, June 2, 1986 at 10:00 a.m.
Court Room 176, Faculty of Law
1822 East Mall
University of British Columbia
Vancouver, B.C.

and continuing as required until 5:00 p.m., June 6, 1986.

Meetings may be held in other cities in B.C. if required.

All persons who have information relating to these matters which they wish brought to the Commission's attention shall notify Commission Counsel Donald J. Sorochan, in writing at the office of the Commission, on or before Monday, May 26, 1986.

SOCIAL HOUSING COMMISSION OF INQUIRY

Commission Members: James C. Cosh, Chairman
Shelley M. Tratch, Vice-Chairman   Dr. James Cutt, Commissioner
1200–1177 West Hastings Street, Vancouver, B.C. V6E 2K3   683-3966

Appendix O

HEARINGS OF INQUIRY WITNESSES, PROCEDURES

HEARINGS OF INQUIRY

Dates Held: June 2, 1986 - June 5, 1986

Place Held: Courtroom, Faculty of Law, University of B.C.

Advertising: The Commission advertised the hearings in all major provincial daily and weekly newspapers as set out in Appendix C.

Purpose: To hear people's concerns about perceived abuses in, and mismanagement of, the social housing delivery system, as well as any other concerns held by members of the public in the area of social housing management and delivery. The purpose of the hearings was not to focus on the activities of particular individuals, but rather to hear any abuses in or difficulties with the delivery of social housing in British Columbia, with a view to recommending ways of avoiding such problems in the future.

Who we heard from:

Mr. Anton A. Badior, Office of the Superintendent of Co-operatives.

Mr. Bob Nicklin, Lower Mainland Manager, CMHC.

Mr. Robert Elton, Price-Waterhouse (engaged by Commission to provide independent analysis of financial information).

Gillespie Management Corporation.

Adanac Housing Co-operative, Vancouver, B.C.

Bowen Island Senior Citizens Co-op, Bowen Island, B.C.

Klahanie Co-operative, Richmond, B.C.

Birch Housing Co-operative, ________________, B.C.

Huntington Place Housing Co-operative, Fort St. John, B.C.

Columbia Housing Advisory Association ("CHAA").

Co-operative Housing Federation of B.C. ("CHFBC").

Procedure: The evidence of all participants, except for the representatives of CHAA and CHFBC, was reviewed by Commission counsel and presented, under oath, with the assistance of Commission counsel. CHAA and CHFBC elected to be represented by their own counsel who had an opportunity to question all participants throughout the hearings. All persons affected by the evidence were notified in advance and invited to attend the hearings to question the witnesses and speak on their own behalf.

COMMISSION OF INQUIRY

BY COURIER 3 July, 1986

James C. Cosh, Chairman
Social Housing Commission of
Inquiry
c/o Juliana Pasko,
Secretary to the Commission
2300 Board of Trade Tower
1177 West Hastings Street
Vancouver, B.C.
V6E 2L9

Attention: Juliana Pasko

Re: Commission Hearings Documentation

I enclose for your records and reference nine graphs utilized by Mr. Elton of Price Waterhouse in his evidence before the Commission at the hearings held 2 June - 5 June. Also enclosed is a true copy of the cover letter to my attention from Mr. Elton in reference to the enclosed graphs.

Sincerely,

SWINTON & COMPANY

Per:

Dale Ursel

Assistant to D.J. Sorochan,
Commission Counsel

DU/ph
Encl. (10)

COMMISSION MEMBERS: James Cosh, Chairman Shelley Tratch, Vice Chairman Dr. James Cutt
#1200 - 1177 West Hastings Street, Vancouver, B.C. V6E 2K3 Telephone (604) 683-3966

Chartered Accountants

Price Waterhouse Centre
601 West Hastings Street
Vancouver, B.C. V6B 5A5

(604) 682-4711
Telex: 04-507740
Telecopier (604) 662 5300

Price Waterhouse

JUL 02 1986

June 24, 1986

Mr. Dale Ursel,
Swinton & Co.,
1300 - 1090 West Georgia Street,
Vancouver, B.C.,
V6E 3X9

Dear Dale:

SOCIAL HOUSING

As you requested, I enclose copies of the graphs which I used when giving evidence to the Commission.

Best wishes,

Yours sincerely,

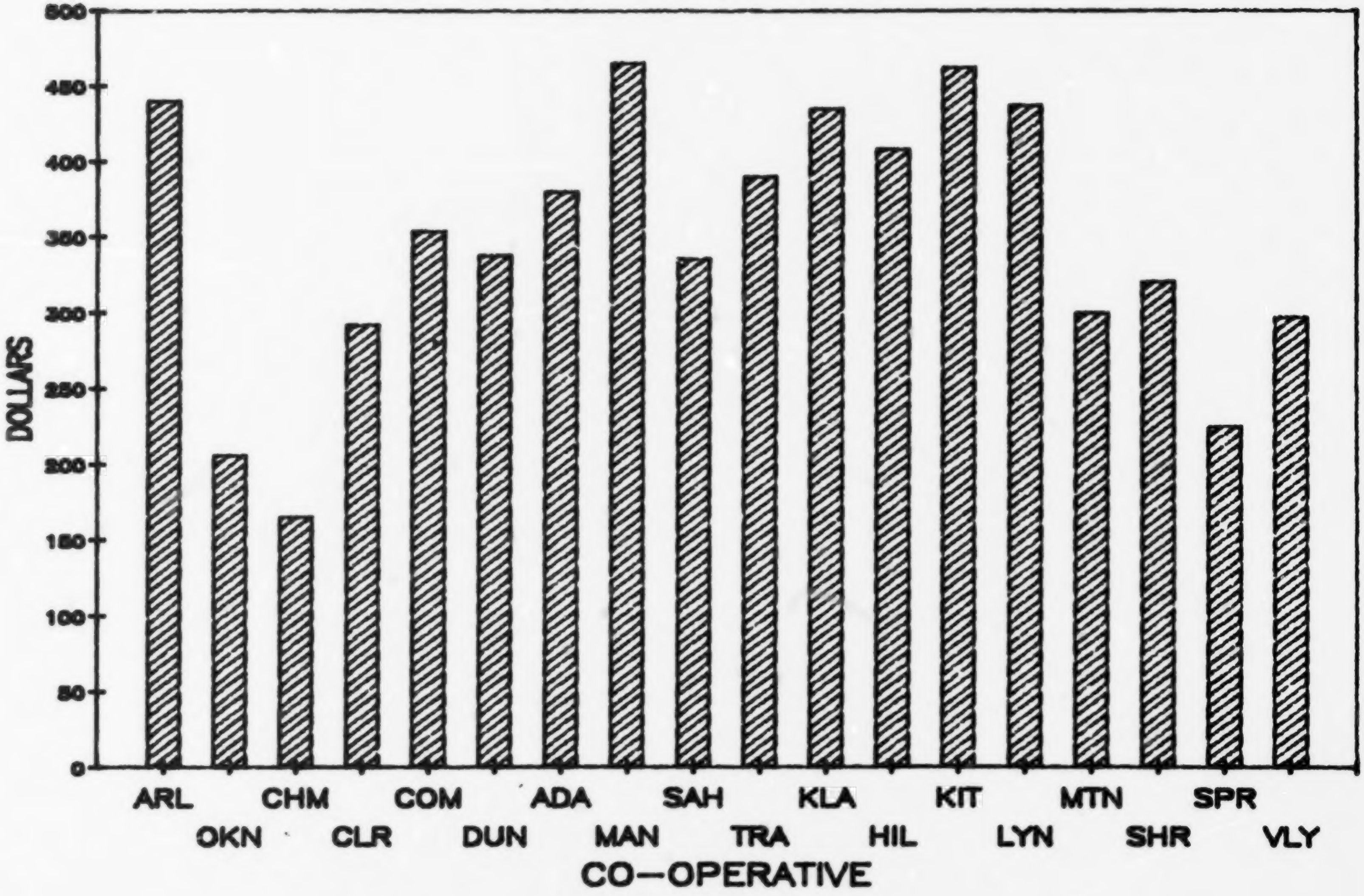
Bob Elton

Bob G. Elton

Encs.

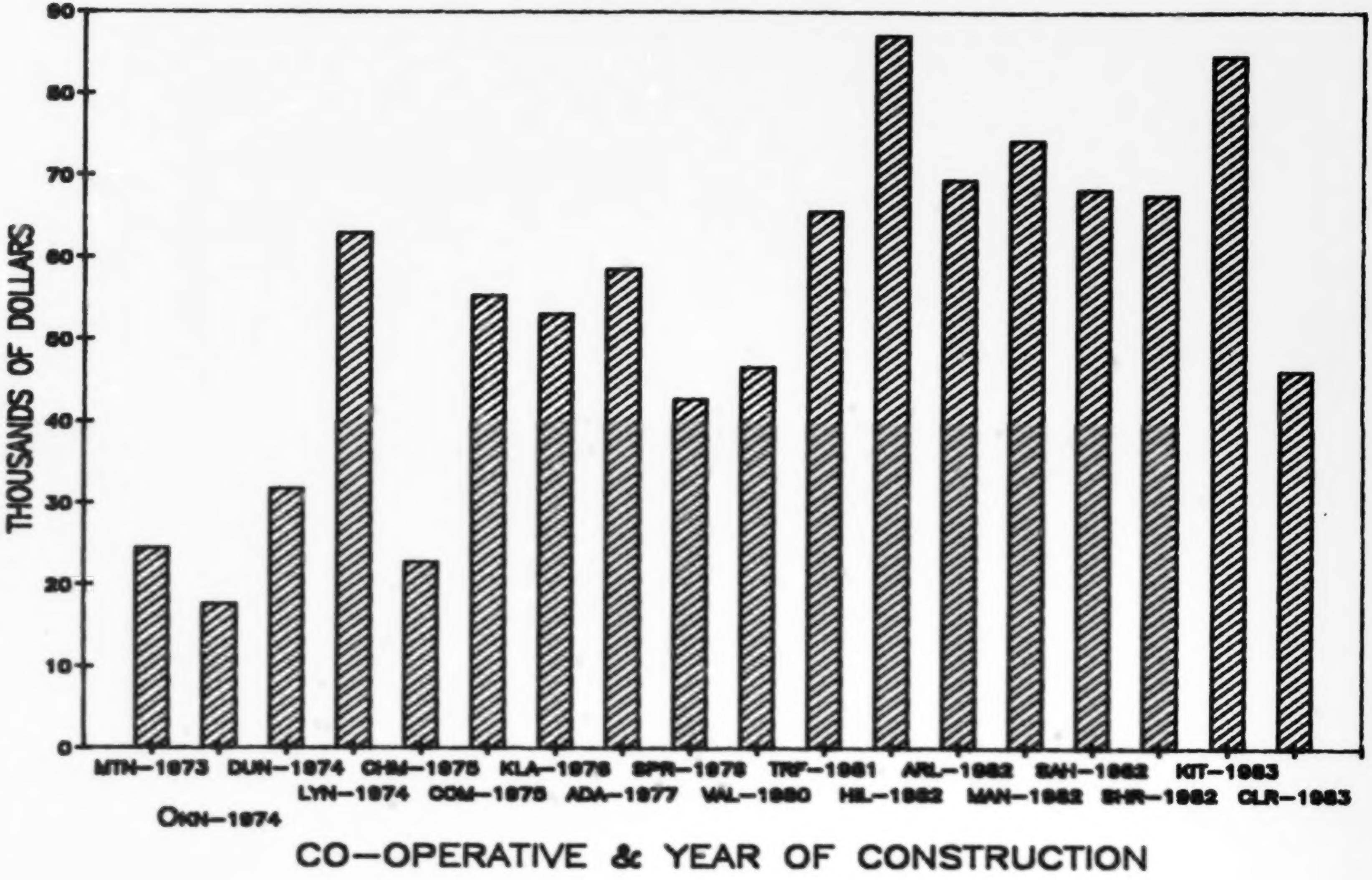
RGE/lmp

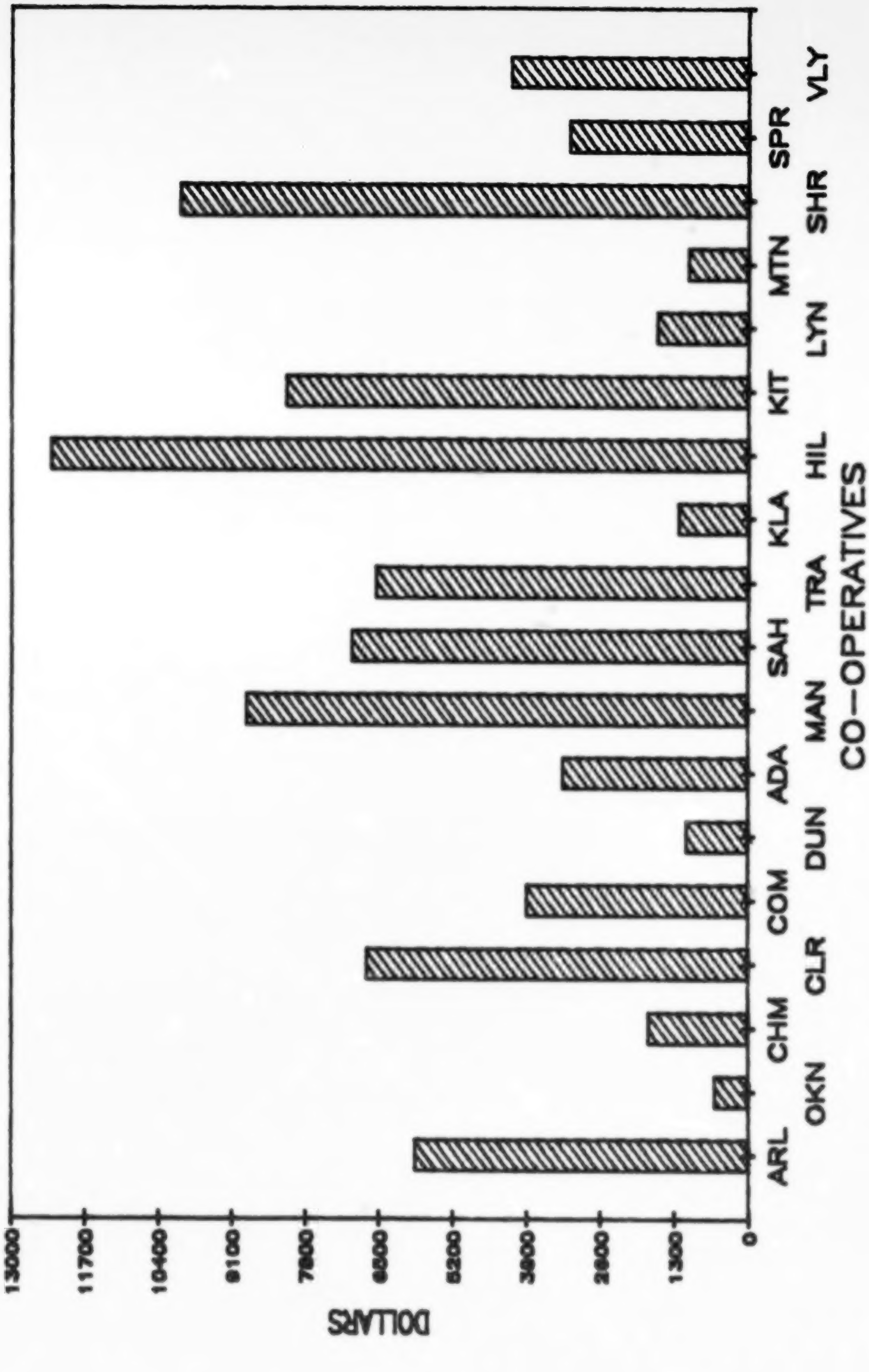
HOUSING CO—OPERATIVES
MONTHLY RENTAL REVENUE BY CO—OP



HOUSING CO—OPERATIVES

FIXED ASSETS/UNIT BY CO—OP AND YEAR OF CONSTRUCTION

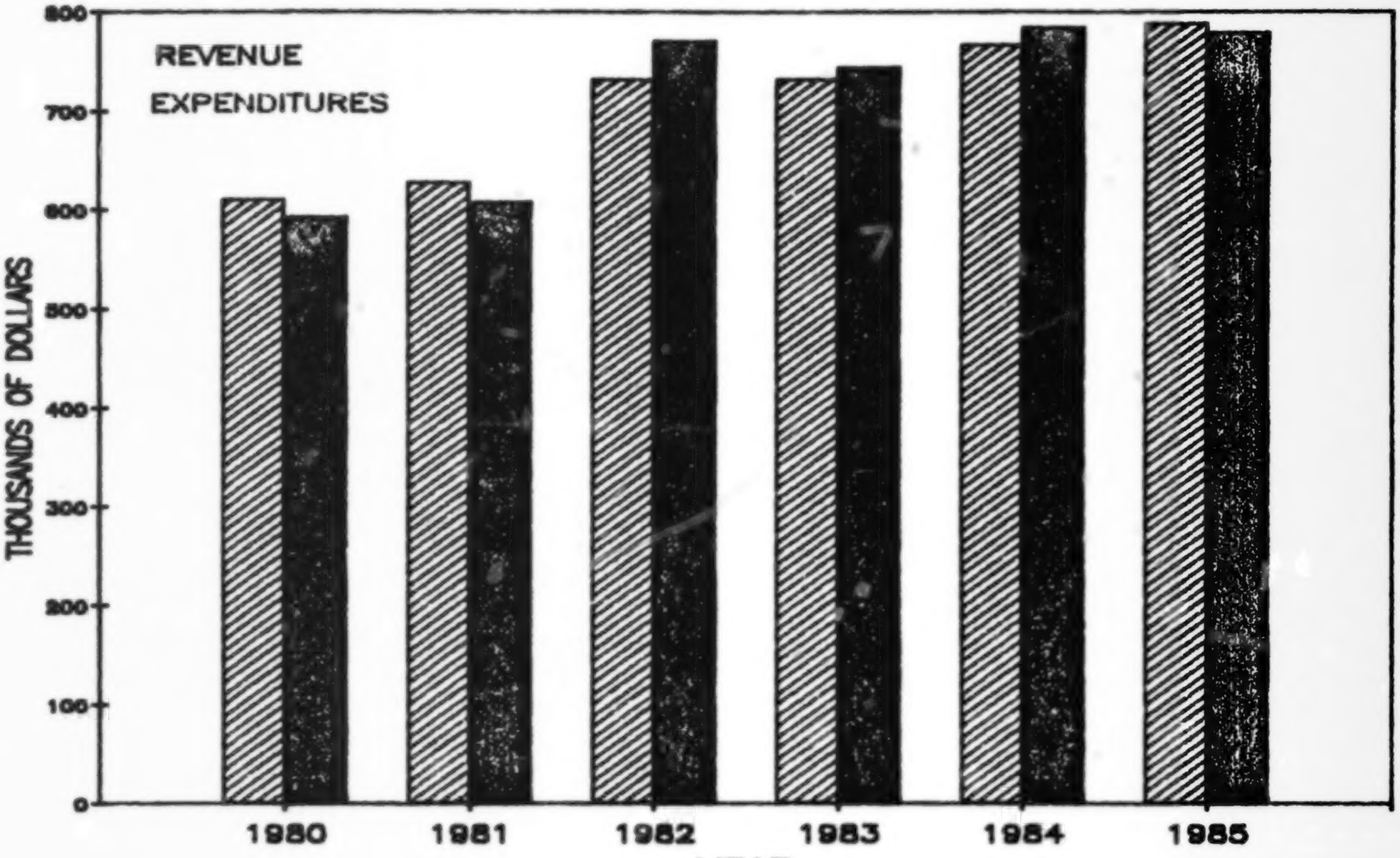




HOUSING CO-OPERATIVES
GRANT/# OF UNITS BY CO-OP

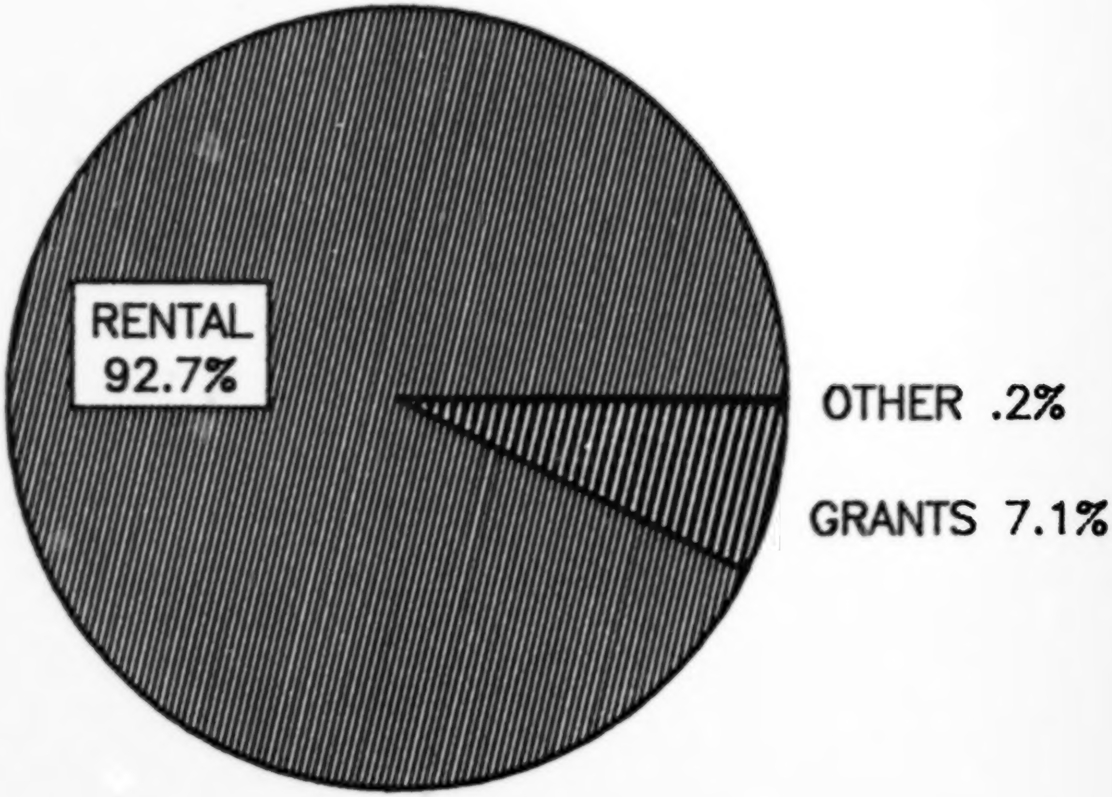
ADANAC HOUSING CO-OPERATIVE SOCIETY

REVENUE AND EXPENDITURES 1980-1985



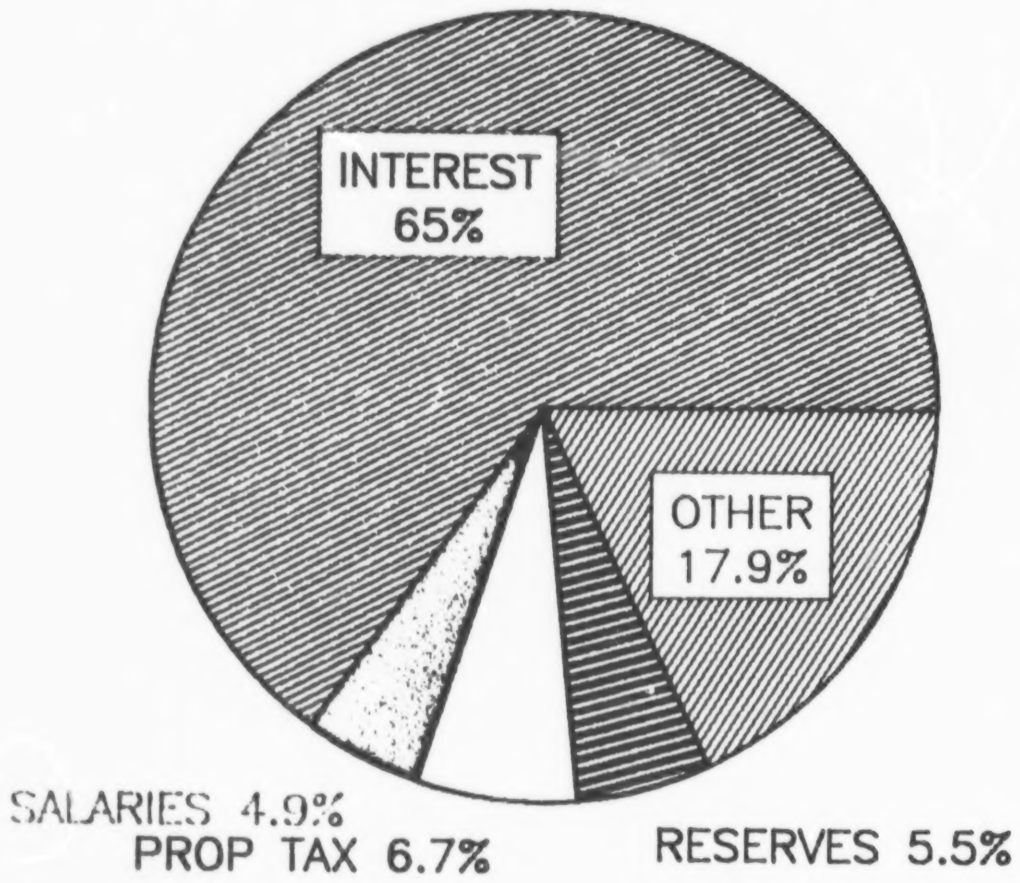
ADANAC HOUSING CO-OPERATIVE SOCIETY

1985 REVENUE BY TYPE

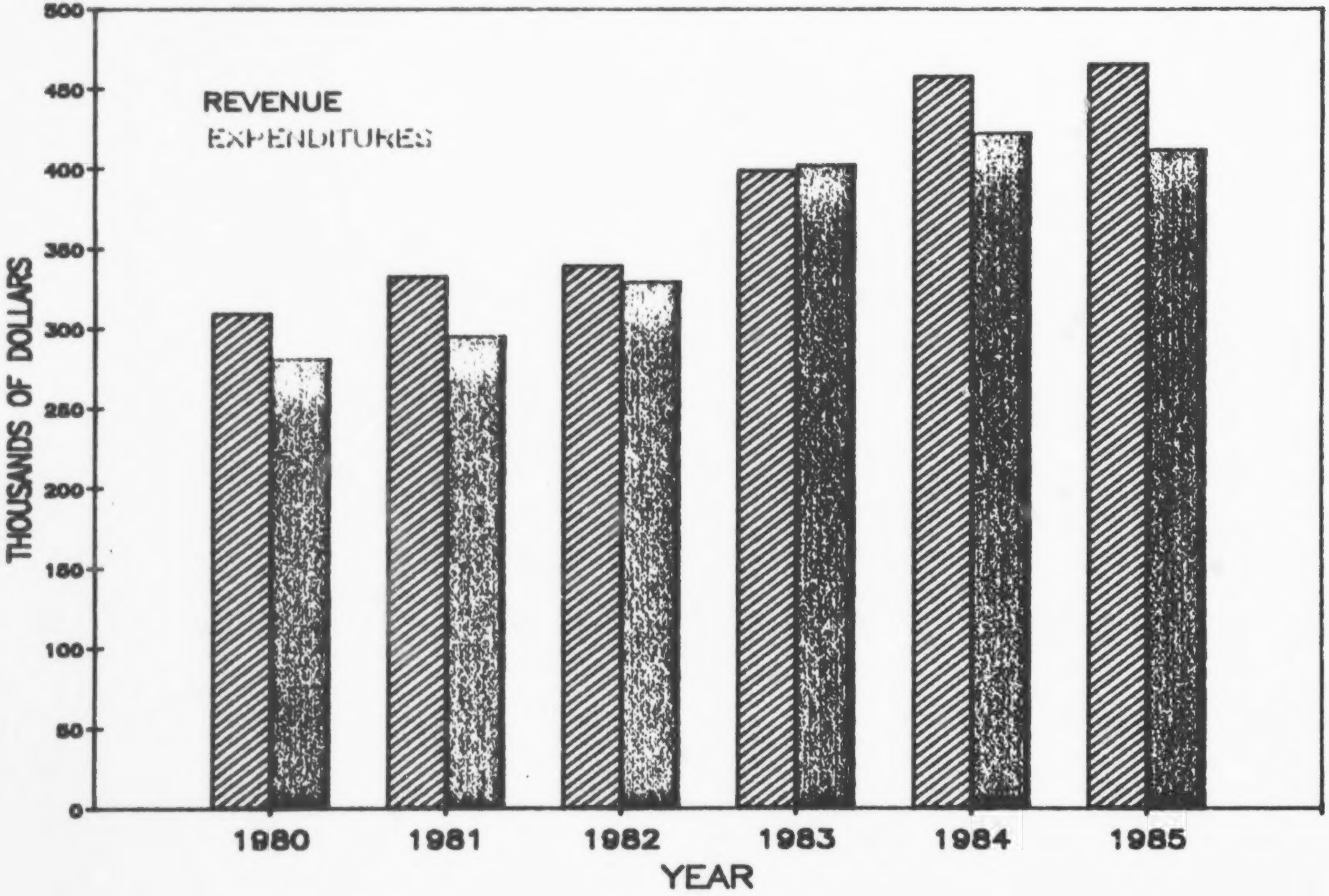


ADANAC HOUSING CO-OPERATIVE SOCIETY

1985 EXPENDITURES BY TYPE

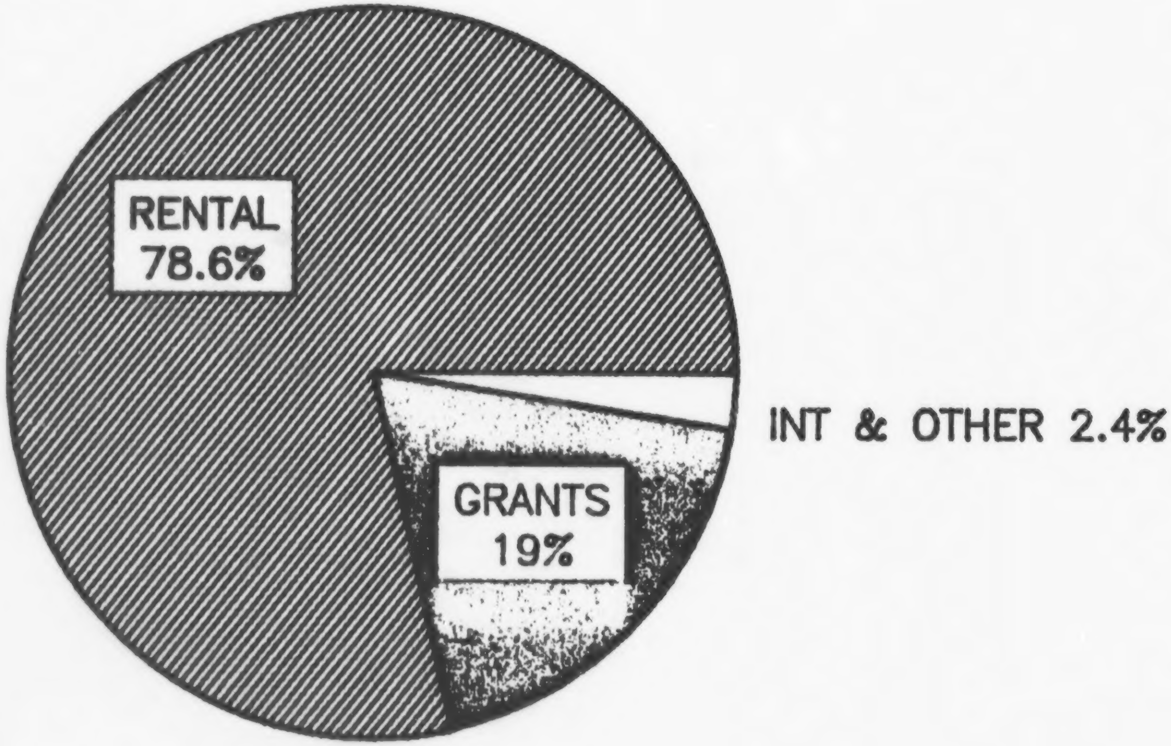


KLAHANIE CO-OPERATIVE HOUSING ASSOC.
REVENUE AND EXPENDITURES 1980–1985



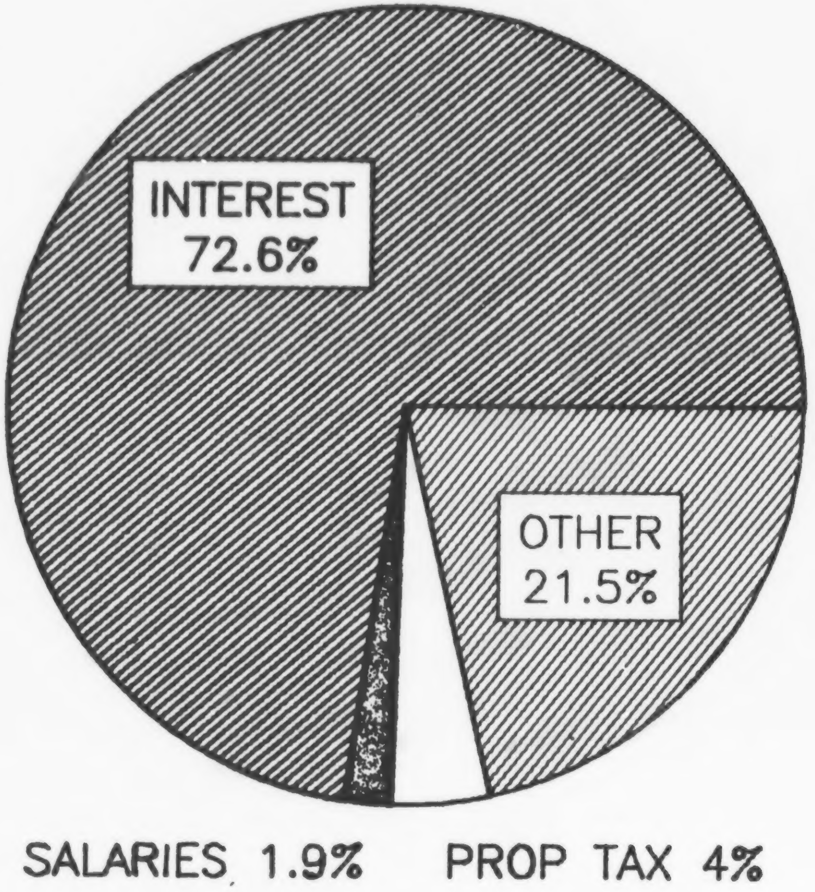
KLAHANIE CO-OPERATIVE HOUSING ASSOC.

1985 REVENUES BY TYPE



KLAHANIE CO—OPERATIVE HOUSING ASSOC.

1985 EXPENDITURES BY TYPE



Appendix P

CHAIRMAN'S LETTER, JUNE 30, 1986

SOCIAL HOUSING
COMMISSION OF INQUIRY

MEMORANDUM

Date: June 30, 1986.

To: People concerned about social housing

From: The Social Housing Commission of Inquiry

Subject: Final Report

As we work to complete our final report, we want to take this opportunity to thank all those who contributed to the Commission for their views, comments and suggestions. These have been invaluable in providing us with ideas, insights and a sense of the importance and urgency of many of the issues.

Since our major public and research activities are now over, we are closing our office as of June 30th. However, we will maintain our hotline telephone and answering machine so we can respond to any enquiries which you may have.

We plan to complete our final report before the end of July. Subject to the Minister's approval, we will send you all a copy of the Executive Summary; copies of the full report may be obtained through the Queen's Printer. We will recommend that copies also be placed in the principal public libraries across the province.

While we will undoubtedly not be able to fulfill all of your expectations in our final report, be assured that we will put forward the best recommendations we can find to serve those most in need of social housing.

James C. Cosh
Chairman

DMC/jcp

COMMISSION MEMBERS: James Cosh, Chairman Shelley Tratch, Vice Chairman Dr. James Cutt
#1200 - 1177 West Hastings Street, Vancouver, B.C. V6E 2K3 Telephone (604) 683-3966

Appendix Q

CHAIRMAN'S LETTER TO HON. J. KEMPF RE: FEDERAL/PROVINCIAL AGREEMENTS

SOCIAL HOUSING
COMMISSION OF INQUIRY

April 21, 1986

The Honourable Jack J. Kempf,
Minister of Lands, Parks
and Housing,
Room 133,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Mr. Kempf,

Re: Federal/Provincial Agreements

In your letter dated March 21, 1986 elaborating on the terms of reference of our Commission of Inquiry into the effectiveness of the delivery of social housing to those most in need of housing assistance, you asked that we provide you with our comments on the agreements between the Province of British Columbia and the Government of Canada proposed for signature this month. That request does not come within the terms of reference of our appointment as a Commission of Inquiry. However, as part of obtaining our background information we have reviewed the Agreements in some detail and are able to provide you with our comments.

Through our briefing sessions with your staff and with you, we have grown to appreciate that the Global Agreement and the change in structure of the proposed Operating Agreement reflect a considerable effort on the part of the Province to retain its ability to pursue a philosophy of ensuring that all shelter assistance payments are directed to those most in need. The Agreements also reflect a move towards a more objective measurement of need and the establishment of an allocation system which is a considerable advance over what has existed, although still remains short of the management model proposed in our preliminary report.

The Global Agreement itself sets out overall objectives for cooperation between the Federal and Provincial Governments, criteria for selection of those requiring shelter assistance which are in keeping with our understanding of the requirements of the residents of the Province for assistance, and a framework within which social housing programs may be planned, implemented, administered, cost-shared and monitored. In light of the improvements it reflects in these areas and the tone of cooperation it contains, we recommend that it be signed.

COMMISSION MEMBERS: James Cosh, Chairman Shelley Tratch, Vice Chairman Dr. James Cutt
#1200 - 1177 West Hastings Street, Vancouver B.C. V6E 2K3 Telephone (604) 683-3966

We do have concerns about the Operating Agreement. Part of the concern comes from difficulty in grasping the intent of certain provisions and the effective implementation of certain aspects of the Agreement. Other areas of concern relate to the arrangements inherent in the Agreement.

1. Overall Wording and Approach

   Agreements between the Federal and Provincial Governments are not contractual commitments upon which future legal action for specific performance or damages will be based. The purpose of the agreement document is to set out clearly the undertaking and obligation of each of the parties to ensure the greatest possible coordination of effort and the maintenance of a high level of goodwill between the two levels of government. We have spent considerable time reviewing the Operating Agreement and its Schedules, and discussing them with officials of your Ministry and with officials of Central Mortgage and Housing Corporation. Even after that level of discussion, we have found certain provisions in the Agreement vague and, in some cases, conflicting. For example, we are unclear as to how market rental rates within rent supplement housing projects will be set or how the useful life of a project is to be determined. We feel the interests of both governments would be served by some redrafting of the Agreement and its Schedules to clarify these matters. Clarification of the overall objectives and respective responsibilities under the Agreement might be enhanced by an executive summary, the principles of which would be contained in the detailed clauses of the Agreement.

2. Subsidy under Non-Profit Housing Program

   We have some concern about the "open-ended" structure of the subsidy under this program as evidenced by the requirement that BCHMC ensure funding of all project operating losses each year, without ability to administer more closely or perhaps take over operations if losses remain unreasonably high.

3. Targeting of Housing Assistance

   Schedule A-2 to the Agreement obligates the Provincial Government to provide rent supplements to 30% of the cooperative housing units available through the Federal Cooperative Housing Program each year. These units are to be directed to those households in core housing need or with special housing needs. One-half of the tenants for those units would be selected from public housing waiting lists and the other half would be selected by the operator of the cooperative housing complex. There is concern as to whether the cooperative housing units will be properly located in the community so as to serve best those most in need. In addition, the introduction of a second layer of administration for the management of small numbers of scattered social housing units leaves us concerned that the units will not be well matched to those most in need in the community.

4. Expenditure Commitment

Requiring the Provincial Government to provide rent supplements to 30% of all new Federal Cooperative Housing Program units, without any ceiling on the number of such units that may be produced at any time, suggests the possibility that a disproportionately large amount of the Provincial budget for social housing may find itself committed to a program which may not necessarily be well matched to the needs most prevalent in the community.

5. General Concern

A factor which is perhaps more important than the specific concerns identified above is that many aspects of the Operating Agreement, and in particular its Schedules, directly relate to issues which our inquiry has been commissioned to review. We therefore feel it appropriate that you have the benefit of our full report prior to committing to the Operating Agreement and Schedules.

Because of the concerns outlined above, we are reluctant to recommend the execution of the Operating Agreement and its Schedules at this time. We recognize, however, that at this late date failure to execute some form of operating agreement would result in the delay of some badly needed housing development. Rather than precipitate such delay we recommend the execution of a one-year or temporary operating agreement. During the timeframe of the temporary agreement, the concerns we have identified above can be better examined in the light of actual experience in the operation of the temporary agreement and a more comprehensive operating agreement developed which may be more suitably designed to the needs of the Federal and Provincial Governments.

Leaving aside the Federal/Provincial Agreements, we have noted that in the decision making process on the expenditures involved in social housing, your Ministry has a tendency to look at only the current year's commitment involved in the joint Federal/Provincial housing initiative. In fact, the expenditure is often far more substantial because the current year's payments are only the current instalments on a long-term mortgage or rent supplement commitment. In the case of a mortgage subsidy, in the initial year the expenditure of some $300,000 to $400,000 is really a commitment for annual mortgage payments of some $3 million, against a total expenditure undertaking by the Province of some $30-$40 million when the overall liability is taken into consideration. We feel the acounts of your Ministry should reflect the gross obligation undertaken as the expenditures are made and that overall commitment should be taken into consideration in the allocation of resources against the needs of those requiring shelter assistance.

Yours very truly,

James C. Cosh

James C. Cosh
Chairman

/lt

Appendix R

CO-OP FINANCIAL DATA

B.C. SOCIAL HOUSING PROJECT

KEY:
ITT = INCOME-TESTED TENANTS
NON-ITT = NON INCOME-TESTED TENANTS

PROJECT NAME	YEAR END dd-mm-yy	# OF UNITS	UNIT MONTHS FOR ITT	% OF UNIT MONTHS FOR ITT	TOTAL INTEREST SUBSIDY	SUBSIDIES TO INCOME TESTED TENANTS			INTEREST SUBSIDY TO NON-ITT	TOTAL SUBSIDY			ORIGINAL COST	NUMBER OF UNITS	COST PER UNIT	CASH COSTS		RENTAL INCOME
						INTEREST	RENT	TOTAL		$$$	% TO ITT	% TO NON-ITT				OPERATIONS	INTEREST	
CO-OPS WITH CMHC DATA REPORTS AND MATCHING FINANCIAL STATEMENTS																		
VANCOUVER AREA																		
1 ACCESS HOUSING	30-11-85	52	425	68.1%	333,481	227,130	83,894	311,024	106,351	417,375	75%	25%	4,553,550	52	87,568	87,662	549,538	237,097
2 ARLINGTON GROVE	28-02-85	66	586	74.0%	263,105	194,671	125,526	320,197	68,434	388,631	82%	18%	4,703,674	66	71,268	74,716	586,[illegible]	349,613
3 ASHLEY MAR	31-03-84	54	539	83.2%	417,372	347,166	94,678	441,844	70,206	512,050	86%	14%	4,350,695	54	80,568	25,603	670,628	193,163
4 BROOKSFORD PLACE	28-02-85	50	214	35.7%	170,193	60,702	25,856	86,558	109,491	196,049	44%	56%	2,184,935	50	43,699	53,277	273,586	150,509
5 CEDAR HILL HOUSING	30-09-85	53	563	88.5%	604,755	535,341	104,624	639,965	69,414	709,379	90%	10%	4,865,963	53	91,811	59,108	898,093	254,478
6 CLEARWATER HOUSING	31-12-85	40	437.8	91.2%	275,035	250,872	102,067	352,939	24,163	377,102	94%	6%	2,859,447	40	71,486	56,011	487,761	151,699
7 CONNAUGHT HOUSING CO-OP	31-03-85	79	622	65.6%	356,286	233,766	150,827	384,593	122,520	507,113	76%	24%	6,371,677	79	80,654	57,601	742,019	377,265
8 CO-OP D'HABITATION DEMERS	31-03-85	28	55	16.4%	32,616	5,339	2842	8,181	27,277	35458	23%	77%	948786	28	33,885	24,309	99,350	94,280
9 DELTA GREEN	30-11-85	72	716	82.9%	363,062	300,871	142,717	443,588	62,191	505,779	88%	12%	5,844,414	72	81,172	101,000	734,733	342,563
10 FORD ROAD HOUSING	31-07-85	160	1564	81.5%	1,144,240	932,079	275,261	1,207,340	212,161	1,419,501	85%	15%	10,495,690	160	65,598	152,548	1,029,959	550,229
11 GRANDVIEW CO-OP	30-09-85	19	76	33.3%	63,647	21,216	10,200	31,415	42,431	73,846	43%	57%	874,249	19	46,013	29,959	108,820	71,531
12 GRANVILLE GARDENS	31-12-85	94	718	63.7%	498,984	317,616	152,241	469,857	181,368	651,225	72%	28%	7,281,498	94	77,463	102,029	932,369	456,224
13 HANEY PIONEER VILLAGE	31-12-84	84	77	7.6%	63,915	4,882	3634	8,516	59,033	67549	13%	87%	1871991	84	22,286	66,896	189,959	221,737
14 HARRIS [illegible] HOUSING	31-07-85	90	902	83.5%	1,168,465	975,885	162,425	1,138,310	192,580	1,330,890	86%	14%	8,484,141	90	94,268	89,434	1,659,403	402,523
15 HELEN'S COURT	31-03-85	44	445	84.3%	188,111	158,541	96,029	254,570	29,570	284,140	90%	10%	3,292,807	44	74,837	51,425	404,859	185,649
16 INDIAN RIVER	30-11-85	26	98.75	31.7%	198,695	62,888	19,840	82,728	135,807	218,535	38%	62%	2,300,460	26	88,479	30,281	289,319	153,765
17 KITSILANO TERRACE	31-05-85	27	240	74.1%	181,136	134,175	39,693	173,868	46,961	220,829	79%	21%	2,308,837	27	85,512	44,512	380,225	150,072
18 LAKEWOOD TERRACE	30-06-85	52	289	46.3%	299,814	138,856	52,938	191,794	160,958	352,752	54%	46%	4,259,474	52	81,913	101,693	596,273	276,446
19 LYNN VALLEY CO-OP	31-03-85	65	310	39.7%	62,943	25,016	43,592	68,608	37,927	106535	64%	36%	4177019	65	64,262	101,371	338,784	341,287
20 MANHATTAN	31-05-85	44	117	22.2%	390,502	86,532	16,518	103,050	303,970	407,020	25%	75%	3,298,821	44	74,973	74,888	498,837	229,482
21 [illegible] GARDENS	31-03-85	124	804	54.0%	1,425,637	770,304	162,891	933,195	655,333	1588528	59%	41%	10825568	124	87,303	296,926	2,010,210	644,455
22 MAYFLOWER	31-05-85	92	0	0.0%	745,728	0	0	0	745,728	745,728	0%	100%	7,483,826	92	81,346	193,010	1,051,702	402,023
23 MELTON COURT	31-12-85	21	56	22.2%	185,175	41,150	12,211	53,361	144,025	197,386	27%	73%	1,630,867	21	77,660	42,850	258,189	112,570
24 MT. SEYMOUR PARK	30-04-85	57	396	57.9%	290,292	168,064	88,312	256,376	122,228	378,604	68%	32%	4,599,461	57	80,692	43,343	518,106	241,861
25 PHOENIX COURT	30-04-85	33	186	47.0%	195,795	91,964	43,914	135,879	103,830	239,709	57%	43%	2,610,372	33	79,102	26,656	328,215	168,226
26 POST 83 CO-OP	28-02-85	101	49	2.3%	2,164,179	48,824	4,715	53,539	2,115,355	2,168,894	2%	98%	15,728,527	101	86,930	278,852	2,336,852	845,682
27 RIVER WOODS	30-09-85	90	761.1	70.5%	356,294	251,088	138,481	389,569	105,206	494,775	79%	21%	7,189,095	90	79,879	82,185	699,232	381,199
28 ROBSON PARK CO-OP	31-08-85	13	110	70.5%	121,791	85,878	26,432	112,310	35,913	148,223	76%	24%	986,214	13	75,963	17,750	190,807	62,788
29 ROSE GARDEN	31-12-85	54	218	33.6%	178,775	60,143	24,661	84,804	118,632	203,436	42%	58%	2,275,121	54	42,132	73,689	298,470	138,775
30 SALAL HOUSING	31-10-85	60	245	34.0%	427,436	145,447	34,379	179,826	281,989	461,815	39%	61%	4,992,911	60	83,215	83,385	658,403	328,068
31 SHAUGHNESSY	31-10-85	25	191	63.7%	267,429	170,263	32,554	202,816	97,166	299,982	68%	32%	2,242,506	25	89,700	40,035	385,898	129,045
32 SHERWOOD FOREST	31-03-85	35	309	73.6%	253,815	186,735	77,596	264,331	67,080	331,411	80%	20%	2,309,669	35	65,991	49,553	421,285	131,398
33 SOJOURN HOUSING	28-02-85	30	130	36.1%	221,549	80,004	30,826	110,830	141,545	252,375	44%	56%	2,613,081	30	87,103	54,052	350,489	172,394
34 STRATHCONA	29-02-84	7	56	66.7%	8,426	5,617	1,208	6,825	2,809	9,634	71%	29%	484,413	7	69,202	5,639	35,745	34,920
35 THE BROADVIEW	30-06-85	17	95	46.6%	107,786	50,194	21225	71,419	57,592	129011	55%	45%	1758046	17	103,414	21,260	194,409	99,731
36 THE MANOR HOUSING CO-OP	31-05-85	33	384	97.0%	108,375	105,091	30,832	135,923	3,284	139,207	98%	2%	1,932,144	33	58,550	56,985	295,780	140,349
37 TOTEM HOUSING	[illegible]	58	436.2	62.7%	615,027	385,496	80,931	466,427	229,531	695,958	67%	33%	4,515,921	58	77,861	55,577	[illegible],935	263,480
38 TRAFALGAR CO-OP	31-07-85	20	144	60.0%	94,148	56,489	37,927	94,416	37,659	132,075	71%	29%	1,345,795	20	67,290	22,033	180,998	93,954
39 TWIN RAINBOWS	31-05-85	86	486	47.1%	361,316	170,155	46,140	216,295	191,161	407,456	53%	47%	5,141,421	86	59,784	124,076	667,649	364,524

B.C. SOCIAL HOUSING PROJECT

KEY:
ITT = INCOME-TESTED TENANTS
NON-ITT = NON INCOME-TESTED TENANTS

PROJECT NAME	YEAR END dd-mm-yy	# OF UNITS	UNIT MONTHS FOR ITT	% OF UNIT MONTHS FOR ITT	TOTAL INTEREST SUBSIDY	SUBSIDIES TO INCOME TESTED TENANTS			INTEREST SUBSIDY TO NON-ITT	TOTAL SUBSIDY			ORIGINAL COST	NUMBER OF UNITS	COST PER UNIT	CASH COSTS		RENTAL INCOME
						INTEREST	RENT	TOTAL		$$$	% TO ITT	% TO NON-ITT				OPERATIONS	INTEREST	
40 VALLEY VILLAGE	31-05-85	131	651.5	41.4%	489,085	202,696	64,784	267,480	286,389	553,869	48%	52%	6,194,521	131	47,286	160,024	811,374	460,781
41 VANCOUVER EAST CO-OP	31-03-85	39	357	76.3%	72,000	54,923	47,851	102,774	17,077	119,851	86%	14%	1,597,140	39	40,952	54,139	169,915	125,607
42 WALDON PLACE	31-07-85	40	364	75.8%	444,801	337,307	61,260	398,567	107,494	506,061	79%	21%	3,604,993	40	90,125	38,037	647,068	209,360
43 WALNUT GROVE	31-01-85	40	391	81.5%	416,365	339,164	73,361	412,525	77,201	489,726	84%	16%	3,464,368	40	86,609	31,900	618,916	176,967
44 WATERSHED CO-OP	30-09-85	14	96	57.1%	74,550	42,600	22,692	65,292	31,950	97,242	67%	33%	934,991	14	66,785	26,159	131,218	64,865
45 HWATTLEKAINUM HOUSING	31-07-85	103	1229	99.4%	1,034,942	1,029,081	297,896	1,326,977	5,861	1,332,838	100%	0%	9,663,413	103	93,820	90,986	1,709,280	494,092
VICTORIA AREA																		
46 ALF TOONE	30-11-85	30	249	69.2%	164,934	114,079	36,579	150,658	50,855	201,513	75%	25%	2,000,376	30	66,679	45,771	297,945	124,324
47 BECKLEY FARM	30-04-85	12	82	56.9%	45,523	25,923	10,040	35,963	19,600	55,563	65%	35%	577,793	12	48,149	32,332	79,949	41,259
48 CRAIGILEA HOUSING CO-OP	31-08-85	23	66	23.9%	125,299	29,963	10,991	40,954	95,336	136,290	30%	70%	1,658,654	23	72,115	25,601	211,027	105,514
49 HATLEY PARK HOUSING CO-OP	31-12-85	21	217.2	86.2%	209,660	180,749	38,829	219,578	28,911	248,489	88%	12%	1,685,496	21	80,262	22,075	311,985	97,299
50 KAILASA	31-10-85	17	94	46.1%	167,642	77,247	19,811	97,058	90,395	187,453	52%	48%	1,547,221	17	91,013	16,701	244,965	75,589
51 OAK BAY KIWANIS	30-04-85	35	196	46.7%	159,180	74,284	11,464	85,748	84,896	170,644	50%	50%	1,598,782	35	45,679	51,480	219,535	117,336
52 PIONEER CO-OP HOUSING	31-12-85	74	130	14.6%	49,965	7,315	12,236	19,551	42,650	62,201	31%	69%	2,142,188	74	28,948	101,662	191,710	277,296
53 SPRING RIGDE CO-OP	31-12-85	11	127	96.2%	36,858	35,462	39,527	74,989	1,396	76,385	98%	2%	1,041,325	11	94,666	28,071	112,084	65,068
54 SUPERIOR STREET	31-07-85	18	48	22.2%	141,748	31,500	8,148	39,648	110,248	149,896	26%	74%	1,416,653	18	78,703	18,392	206,316	92,852
55 TWIN OAKS HOUSING CO-OP	31-10-85	32	208	54.2%	212,942	115,344	28,678	144,022	97,598	241,620	60%	40%	2,486,645	32	77,708	29,001	335,108	164,912
56 TYEE HOUSING	31-12-85	76	693	76.0%	510,908	388,223	129,419	517,642	122,685	640,327	81%	19%	6,640,539	76	87,376	59,590	896,280	372,586
57 WATERSIDE HOUSING	31-05-85	27	207	63.9%	153,693	98,193	24,217	122,410	55,500	177,910	69%	31%	2,155,299	27	79,826	17,355	252,385	124,911
KELOWNA AREA																		
58 CLARENDON HALL CO-OP	31-08-85	52	143	22.9%	320,273	73,396	13,650	87,046	246,877	333,923	26%	74%	2,416,951	52	46,480	51,300	443,912	175,734
59 SOUTHGATE MANOR	31-05-85	34	76.5	45.0%	63,922	28,765	12,208	40,973	35,157	76,130	54%	46%	1,791,769	34	52,699	10,409	104,800	61,714
CRANBROOK AREA																		
60 WOODLAND PARK HOUSING	31-05-85	59	336	47.5%	295,033	140,016	68,654	208,670	155,017	363,687	57%	43%	2,302,134	59	39,019	92,549	441,484	182,454
PRINCE GEORGE AREA																		
61 HUNTINGTON PLACE	31-05-85	76	465	51.0%	323,918	165,156	57,805	222,961	158,762	381,723	56%	42%	4,404,610	76	57,956	73,325	555,806	733,220
KAMLOOPS AREA																		
62 SAHALI HOUSING	30-11-85	60	447.5	62.2%	358,848	223,034	63,352	286,386	135,814	422,200	68%	32%	4,126,833	60	68,781	68,175	585,121	742,900
SUB TOTAL		3259	20924	53.5%	21,077,418	11,700,867	3,754,089	15,454,955	9,376,551	24,831,506	62%	38%	231,445,796	3259	71,017	4,136,288	33,321,659	14,030,924

CO-OPS WITH CMHC DATA REPORTS BUT NO MATCHING FINANCIAL STATEMENTS

VANCOUVER AREA

1 ALDER BAY	30-06-84	95	0	0.0%	223,402	0		0	223,402	223,402	0%	100%	4,760,167
2 ALEXANDER LAIDLAW	30-11-84	87		0.0%	619,111	0		0	619,111	619,111	0%	100%	5,627,615
3 BAKERVIEW HOUSING CO-OP	31-05-85	94		0.0%	958,112	0		0	958,112	958,112	0%	100%	7,033,556
4 BIRCH HOUSING	29-02-84	54		0.0%	813,312	0		0	813,312	813,312	0%	100%	4,771,471
5 BOWEN ISLAND SENIORS	30-06-84	19		0.0%	90,767	0		0	90,767	90,767	0%	100%	1,038,224
6 BURQUITLAM CO-OP HOUSING	31-12-83	65		0.0%	4,056	0		0	4,056	4,056	0%	100%	1055068
7 CHEAM HOUSING	31-12-84	21		0.0%	71,438	0		0	71,438	71,438	0%	100%	1,050,055
8 COMMON GROUND	31-03-83	46		0.0%	389,272	0		0	389,272	389,272	0%	100%	4,118,566
9 COMMUNITY ALTERNATIVES	28-02-85	88		0.0%	66,987	0		0	66,987	66,987	0%	100%	961,723
10 CO-OP DE MAILLARDVILLE													
11 COUGAR CANYON	31-07-84	24		0.0%	283,682	0		0	283,682	283,682	0%	100%	2,001,857
12 DECOSMOS VILLAGE HOUSING	31-12-84	110		0.0%	92,966	0		0	92,966	92,966	0%	100%	1927362
13 HAWTHORNE HOUSING	31-05-84	59		0.0%	309,328	0		0	309,328	309,328	0%	100%	3,110,515
14 HILLSIDE PLACE	30-11-84	172		0.0%	2,119,482	0		0	2,119,482	2,119,482	0%	100%	15,003,318
15 HOY CREEK	30-06-84	157		0.0%	1,712,750	0		0	1,712,750	1,712,750	0%	100%	11,459,199
16 JASMINE PLACE	31-08-85	27		0.0%	0	0		0	0		ERR	ERR	
17 KANATA CO-OP	31-08-85	150	500	27.8%	0	0		0	0		ERR	ERR	
18 KINROSS CREEK	30-09-84	69		0.0%	868,976	0		0	868,976	868,976	0%	100%	6,172,826
19 KLAHANIE CO-OP	30-06-85												
20 LE COUER	04-12-85												
21 LOCK LANE (SLAVE LAKE)	31-10-83	30		0.0%	6,880	0		0	6,880	6,880	0%	100%	1,644,281
22 MARINA HOUSING	30-09-84	63		0.0%	790,703	0		0	790,703	790,703	0%	100%	5,742,397
23 MARINE COURT HOUSING	31-10-85	54	277	42.7%	0	0		0	0		ERR	ERR	
24 MATHESON HEIGHTS	31-12-84	120		0.0%	870,255	0		0	870,255	870,255	0%	100%	7,972,301
25 MEADOWLANDS	29-02-84	64		0.0%	132,575	0		0	132,575	132,575	0%	100%	2,299,814
26 MOUNTAIN VIEW	31-12-85	215	319.5				34,406						
27 NEW WESTMINISTER CO-OP	31-03-85			ERR	44,046			0	44,046	44,046	0%	100%	1143654
28 NORMAN BETHUNE CO-OP	30-09-85	24	132	45.8%	0	0		0	0		ERR	ERR	
29 115 PLACE CO-OP	31-12-85	244		0.0%	1,506,424	0		0	1,506,424	1,506,424	0%	100%	14,527,281
30 OPERATING ENGINEERS	31-08-85	121	343	23.6%	0	0		0	0		ERR	ERR	
31 SALMON ARM & DISTRICT	01-01-85		168	ERR	0								
32 SPRUCE HOUSING	31-10-84	101	336	27.7%	506,017	140,282	68,654	208,936	365,735	574,671	36%	64%	6,485,882
33 THE CHILEAN													
34 THE NAPLES HOUSING	31-08-84	31		0.0%	367,077	0		0	367,077	367,077	0%	100%	2,615,592
35 TIDAL FLATS	31-03-84	25		0.0%	293,309	0		0	293,309	293,309	0%	100%	2,160,061
36 TRI-BRANCH	31-01-84	170		0.0%	1,394,570	0		0	1,394,570	1,394,570	0%	100%	11,461,845
37 VIEW COURT	31-05-84	32		0.0%	182,790	0		0	182,790	182,790	0%	100%	1,617,545
38 WESTERDALE HOUSING CO-OP													
39 YEW STREET HOUSING	31-10-83	6		0.0%	73,884	0		0	73,884	73,884	0%	100%	574,853

VICTORIA AREA

40 CAMEO CO-OP	30-06-83	63		0.0%	328,968	0		0	328,968	328,968	0%	100%	3,521,116
41 COWICHAN VALLEY	31-05-85	10	0	0.0%	0	0		0	0		ERR	ERR	
42 CRAIGFLOWER HOUSING	30-09-84	50		0.0%	551,736	0		0	551,736	551,736	0%	100%	4,320,119
43 FRANCES GARDENS	30-09-85	36		0.0%	145,018	0		0	145,018	145,018	0%	100%	1,491,528
44 HOMEWARD	20-09-85	20	238	99.2%	(58,564)	(58,076)	58,564	488	(488)		ERR	ERR	
45 NORTHRIDGE HOUSING CO-OP	30-11-85	16	191.5	99.7%	(49,166)	(49,038)	49,166	128	(128)		ERR	ERR	
46 ORCHARD GREEN	30-11-84	16		0.0%	198,685	0		0	198,685	198,685	0%	100%	1,353,879
KELOWNA AREA													
47 BLUE SKIES HOUSING	31-08-84	27	0	0.0%	216,603	0	15,120	15,120	216,603	231,723	7%	93%	
48 OKANAGAN HOUSING CO-OP	31-10-84	58		0.0%	553,262	0		0	553,262	553,262	0%	100%	4,193,688
SUB TOTAL		2933	2505	7.1%	16,678,713	33,168	225,909	224,672	16,645,545	16,870,217	1%	99%	143,163,248

CO-OPS WITH F/S THAT HAVE EVIDENCE OF AGREEMENT WITH CMHC BUT NO DATA REPORTS

VANCOUVER AREA													
1 ABBOTSFORD CO-OP HOUSING	31-12-85			ERR	32,783			0	32,783	32,783	0%	100%	1886632
2 AMICAE HOUSING													
3 CAPISTRANO HOUSING CO-OP	31-12-84			ERR	0			0	0		ERR	ERR	
4 CREEKVIEW HOUSING	30-06-85	109		0.0%	65,639	0		0	65,639	65,639	0%	100%	72,931
5 DOWNTOWN EASTSIDE				ERR	0			0	0		ERR	ERR	
6 EIGHT OAKS HOUSING	31-03-85	42		0.0%	468,173	0		0	468,173	468,173	0%	100%	3,256,802
7 GARRY POINT				ERR	0			0	0		ERR	ERR	
8 PINE RIDGE HOUSING	31-12-84	88		0.0%	1,033,928	0		0	1,033,928	1,033,928	0%	100%	7,591,782
9 NOVA VITA				ERR	0			0	0		ERR	ERR	
10 SUNSHINE HOUSING	30-06-85	39		0.0%	308,038	0		0	308,038	308,038	0%	100%	2,250,851
VICTORIA AREA													
11 1678 FORT STREET	31-10-85	36		0.0%	210,627	0		0	210,627	210,627	0%	100%	1,345,158
12 JAMES BAY CO-OP HOUSING	31-01-85			ERR	0			0	0	0	ERR	ERR	935,537
13 LAVENDER HOUSING	31-03-85	40		0.0%	214,851	0	37,727	37,727	214,851	252,578	15%	85%	2,762,566
SUB TOTAL		354	0	0.0%	2,334,039	0	37,727	37,727	2,334,039	2,371,766	2%	98%	20,102,259
TOTALS		6,546	23430	29.8%	40,090,170	11,734,035	4,017,725	15,717,354	28,356,135	44,073,489	36%	64%	394,711,303

Appendix S

LETTER -- INSTITUTE OF CHARTERED ACCOUNTANTS OF B.C., JULY 3, 1986

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BRITISH COLUMBIA

July 3, 1986

Mr. James C. Cosh, C.A.
Chairman, Social Housing Commission of Inquiry
#1200-1177 West Hastings St.
Vancouver, B.C.
V6E 2K3

Dear Mr. Cosh:

SUBJECT: Auditor's Reports under the Cooperative Association Act

Thank you for your letter of June 19, 1986 in which you have advised us of the provisions of Section 39, Subsection 3 of the Cooperative Association Act of British Columbia and the nature of the evidence presented to the Social Housing Commission of Inquiry relative to the adherence to these provisions by auditors of housing cooperatives.

The Institute is extremely concerned about legislation which does not properly reflect current generally accepted auditing standards in Canada. The requirements contained in the Cooperative Association Act concerning the content of the auditor's report and the special report requirements do not conform with the Canadian Institute of Chartered Accountants' Handbook which is recognized in legislation across Canada.

Our Institute's concern with outdated legislation of this nature is reflected in a project we have undertaken following discussions with the Minister of Finance of the province. We are reviewing all B.C. statutes and related regulations to locate obsolete, contradictory, and inconsistent requirements relating to accounting and auditing matters. Having located specific areas of concern, we propose to make recommendations to the provincial government on how the legislation relating to accountants' and auditors' responsibilities could be improved.

In the meantime, we wish to pursue improvements to individual pieces of legislation which are brought to our attention. We would like to recommend improvements to the financial reporting and audit requirements of the Cooperative Association Act and any regulations made pursuant to the Act. We are prepared to assist the Commission in this regard and would appreciate receiving your views on how this can be best accomplished within the time frame available for the preparation of the Commission's report.

We thank you for the opportunity to provide our views. We believe that the knowledge and experience of our members on this subject will be valuable to your Commission.

We look forward to discussing this matter with you at your earliest convenience.

Yours sincerely,

Croll

John R. Croll, F.C.A.
President

1133 MELVILLE STREET, VANCOUVER, BRITISH COLUMBIA V6E 4E5 TELEPHONE (604) 681-3264

Appendix T

BCHMC MEMO ON ESTIMATION OF HOUSING NEED

British Columbia
Housing Management
Commission

MEMORANDUM

FILE:

DATE: April 14, 1986

TO: James Cosh

FROM: Peter Stobie

SUBJECT: INFORMATION REQUEST

As requested in your phone call of April 14, 1986, I have provided estimates of social housing costs and comments on housing need estimation.

P Stobie

HOUSING NEED ESTIMATION

1. The 1981 Census is the main data source for estimating housing need because of its comprehensiveness. There is no other source which covers all client groups down to the geographic level required for need estimation. It is also the measure used in other jurisdictions across the country and therefore provides a way of estimating our social housing performance in relation to theirs.

2. However, the 1981 Census does not identify the disabled, so accurate estimates of the size of this group are not available.

3. To update the census and improve estimation of the disabled, a number of approaches are being used:

   a) Disability Survey - a 1983/84 survey gives regional estimates of people requiring mobility aids (primarily wheelchairs) but does not deal with the mentally disabled.

   b) Pension information - we are obtaining Health and Welfare data on pensions (including those on OAS-GIS), which gives us a current distribution of low income seniors.

   c) GAIN information - we have requested GAIN client distributions which are a rough surrogate for current family housing need. We have also asked for handicapped pension numbers.

   d) GAIN projections - Human Resources has a model to predict GAIN caseloads. We will be reviewing this to see if it can be adapted for our purposes.

   e) Market information - we review current rents/vacancy rates to see if existing programmes (i.e. SAFER/GAIN) are adequate to cover costs.

   f) Social Housing construction - we also review units constructed by location and client type to see how and where need is being reduced.

g) Need surveys/Waiting lists - we ask non-profit societies requesting funding to survey their communities and we review BCHMC and other social housing waiting lists. Our experience is that both approaches overestimate the actual number of clients who are eligible for and want to live in social housing. We divide the number of clients indicated by these approaches by 3 or 4 to estimate actual need.

4. Are the data limitations a problem? The economic situation has changed since 1981, but I would argue these changes have likely produced an increase in absolute numbers in housing need but not their fundamental structure, i.e. the distribution of need by client group and geographic location is similar to the 1981 distribution. Given that we are only dealing with a small proportion of need annually, I feel that the data we have is an adequate basis for allocating social housing activity. To add more precision, we would have to survey the population extensively; this would be very costly and I am unconvinced that the cost is justified. I feel that taking the information we have and augmenting it as outlined above will allow us to spend the available funds effectively.

Appendix U

AN ALLOCATION MODEL OUTLINE USING LINEAR PROGRAMMING

AN ALLOCATION MODEL OUTLINE USING LINEAR PROGRAMMING[1]

The basic requirements for and advantages of a linear programming model for estimating the optimal allocation of provincial expenditures, can be easily worked out.

At the moment, annual housing funds tend to be allocated -- and neediness inferred -- from macro-type data; for example, census data aggregated at the provincial level is frequently used. Macro variables such as per capita income or the regional condition of housing stock are, at best, rough proxies for individual household need.

But with a more precise definition of need and a detailed inventory of the individual households in need according to this definition to provide micro-level data, more appropriate financial expenditures as among programs and specific communities in the province is possible.

This process can be greatly assisted by the use of a general linear programming model. The parameters are set by selecting, as policy targets, the alleviation of a specified degree of shortfall between social housing needs and housing availability by region.

The model, operating on the basis of specified policy criteria and a maximum annual expenditure level, could also include criteria for:

- Equity -- the need to treat households with the same resources and needs in the same way; and to offer support in direct proportion to household need.
- Policy priorities -- these emphasize the relative importance of recipient categories such as the disabled and single parent.
- Maximum impact -- the largest number of households should benefit from the expenditure of any given number of dollars.
- Social values -- such as integration and locational choice should be given importance.
- Economic effectiveness -- this covers the need to avoid hidden costs, such as distortions in the private market, and the return on investment per dollar invested when construction is involved.

---

[1] This outline is based on model developed by Jay Magidson of Abt Associates Inc., Cambridge, Mass. See A Linear Programming Model for Estimating Optimal Allocation of Federal, State and Local Resources, no date.

The model can also reflect the fact that, given scarce resources, only a small percentage of total need can be fully satisfied in any given year. Therefore, a multi-year queuing process can be created, whereby certain potential dollar uses which go unmet in year one, automatically receive a higher priority in subsequent years.

The model can be instructed to allocate dollars as between programs, regions, individual communities and household types. Having combinations of these may also be possible, depending upon their number and complexity. The choice of level of aggregation of output is important.

The major parameters to be determined by the model would be the actual amount of provincial funds allocated to different program types, for use in different regions of the province. The general premise is that the amount of funds allocated to regions should be influenced by the extent of social housing need there; relative to the extent of need in other regions. The model can be designed so as to ensure that funds go first to the regions with the poorest households; poor being defined as income available relative to income required to attain the specified minimum increase in the housing benefits function. This could be measured as on increase in household incomes or with a dollar value attributed to the housing stock thereby made available. It would be important to use a common measure of output value for both demand and supply programs.

The central constraint would be that total funding allocated would be no more than total funding available, over the designated period.

For strategic planning purposes the model could be run for several years, one year at a time. Subsequent year's runs would be based on assumptions about the impact of the output functions of previous years; and their impact on need, by region and household type.

The outputs and impacts of expending given dollars on different programs, and in different regions on different groups, could be compared; and a final set of allocations selected.

Appendix V

LETTER, FRANK CLAYTON, APRIL 8, 1986

Clayton Research Associates Limited
Economic Consultants

Please reply to: Toronto Office

April 8, 1986

Mr. Robert Flitton
Deputy Minister of Lands, Parks and Housing
Province of British Columbia
1019 Wharf Street
Victoria, British Columbia
V8W 2Y9

Dear Mr. Flitton:

Re: Evaluation of Social Housing Policy

I understand that the Government of British Columbia has established a commission of inquiry to examine social housing policies in the province. Our firm and its principals have been closely involved with housing matters for many years in most parts of the country including British Columbia. We have, as a result of this experience, reached certain conclusions about the recent direction of social housing policies and programs in Canada and ways to improve both the cost-effectiveness and equity of social housing initiatives. I would appreciate if you would be kind enough to forward our thoughts on to inquiry officials.

- The removal of rent controls is a precondition to a healthy rental market over the longer term.

  By restraining rent levels, the existence of rent controls depresses the production of new rental housing by making such investment less attractive to private investors. To overcome this, governments often subsidize private investors (as the federal government did through the MURB, ARP, and CRSP programs in the late 1970's and early 1980's). However, such subsidies are costly and cannot be continued indefinitely; moreover they involve the use of funds which could much more effectively be directed to tenants with an affordability problem.

APR 1 [illegible] 1986

Toronto Office Suite 1, 2900 Eglinton Avenue East, Scarborough, Ontario M1J 2E4 Tel. (416) 431-5570
Calgary Office Suite 302, 14500 Bannister Road, S.E., Mailing Address: Box 181, Midnapore, Calgary, Alberta T0L 1J0 Tel. (403) 256-6919
Edmonton Office Suite 2302, 9925 Jasper Avenue, Edmonton, Alberta T5J 2X5 Tel. (403) 426-0750
Vancouver Office Suite 710, 1050 West Pender Street, Vancouver, B.C. V6E 3S7 Tel. (604) 681-0776

- The B.C. Government is to be congratulated for removing rent controls in 1983.

  By eliminating controls, the B.C. Government has removed the largest single impediment to the active involvement of the private sector in the production of new rental housing. Only in the most exceptional of circumstances (e.g., interest rates increasing to 20 percent) will the private sector not respond to the housing needs of the vast majority of British Columbia residents.

- A small but significant proportion of renters cannot afford adequate accommodation on the private rental market.

  There is no question that a small but significant proportion of renters, both in B.C. and other parts of the country, are having to pay an excessive share of their income for adequate shelter. It is also clear that affordability is the main problem facing these renters (overcrowding and physical inadequacy of dwellings are now very minor problems). CMHC has estimated that approximately 20 percent of renters across Canada have a serious affordability problem; the proportion is probably about the same in British Columbia.

- The non-profit and co-operative housing program is a very cost inefficient way of addressing the problems of renters with an affordability problem.

  On the positive side, there is no doubt that the housing produced through the non-profit and co-operative housing program is generally of good quality and that the projects provide a desirable tenant mix compared to the ghetto image which characterized many earlier social housing projects.

  Nonetheless, in order to achieve the desired tenant mix, a large proportion of the available subsidy for non-profit and co-operative housing projects must be diverted away from low-income households to provide housing (at the "lower end of market" rents) to other non-income-tested tenants.

  The non-profit and co-operative housing program has had very little impact on the over half a million renter households in need of housing assistance in Canada. In order to promote a tenant income mix, most of the housing produced by the program is occupied by households who would not normally be provided with housing subsidy assistance. Thus, the housing produced each year which is left for income-tested tenants amounts to only 1-2 percent of the total need.

- The new federal social housing initiatives announced last December are not the answer.

  The federal government has announced changes to both the non-profit and co-operative housing programs. In our view, the requirement that all federal subsidy assistance to non-profit projects must in the future be directed to low-income renters is a positive step in terms of cost-effectiveness, but it raises the thorny issue of the problems associated with concentrating low-income tenants in projects with no income-mixing. Also, in our view, continuation of subsidy assistance to co-operative housing is very difficult to justify; all subsidy dollars should be targetted directly at low-income occupants of these projects with no implicit or explicit subsidies to the projects themselves.

  While moving in the right direction, these new federal initiatives are a disappointment to those of us seeking better, more effective ways of providing housing assistance to the needy. Essentially, the federal proposals merely tinker with the existing non-profit and co-operative housing programs and offer little hope of a significant improvement in the assistance available to low-income tenants.

- A program of shelter allowances remains the only logical means for addressing the housing needs of low-income renters.

  The intent of a shelter allowance program is to address the real needs of low-income tenants: insufficient incomes to afford adequate accommodation.

  Shelter allowances are a direct cash payment to needy families or individuals to enable them to afford adequate housing of their own choice from the existing rental stock. The amount of the cash payment is based on household income and the cost of adequate housing. The formula which appears to have received the most attention in Canada (and is currently in use in the B.C. shelter allowance program for elderly renters) is one where the cash payment would be equal to 75 percent of the difference between 30 percent of income and the household's rent (subject to a maximum constraint based on typical rents in the local market).

  The shelter allowance program would be targetted directly at renter households who are in need yet allow them to remain integrated with non-needy tenants rather than move to a specific project. Generally, tenants would remain in their current accommodation since studies have shown that, in most cases, it is adequate to their needs - it is also located where they have chosen to live. Unlike current social housing programs, the allowance would be portable so households would not be confined to obtaining accommodation in the limited stock of assisted housing. A further attractive element of the shelter allowance approach compared to current social housing programs is that all tenants in the target groups (for example, all needy families and elderly households) would be eligible and able to receive the allowance - there would be no waiting lists among the eligible households.

Such a program would be costly. Figures discussed a few years ago put the total cost of a national program in the $300 million to $400 million range. The current cost would most likely be in the $600-$700 million range. The cost could no doubt be constrained by limiting eligibility to specific target groups such as needy families and elderly households.

I trust these observations will be useful input into the inquiry's deliberations.

Sincerely,

Frank A. Clayton, Ph.D.
President

FC:km

Appendix W

LETTER, M. HARCOURT, JUNE 11, 1986

JUN 16 1986

S151

VANCOUVER
CANADA

OFFICE OF THE MAYOR

MICHAEL F. HARCOURT
MAYOR

CITY OF VANCOUVER
BRITISH COLUMBIA
V5Y 1V4

1886 - 1986

June 11, 1986

James Cosh
Chairman
Inquiry into Social Housing in B. C.
Board of Trade Building
1200 - 1177 West Hastings St.
Vancouver, B. C.
V6E 2K3

Dear Mr. Cosh:

The Vancouver Special Council Committee on Seniors strongly supports shelter allowances (paid to the tenant) in preference to rent supplements (paid to the landlord) for these reasons:

1. On a per-unit basis, shelter allowances cost much less than rent supplements (see your preliminary report's tabulations).
2. There is a shortage of affordable housing for low-income seniors NOW. (Housing is available, but not affordable.) The funding projected for additional subsidized housing can't meet the existing demand, let alone the needs of the expanding seniors population.
3. Low-income seniors should have some choice as to where they live, and not be segregated into supplemented buildings.
4. The existing B. C. Safer Program is inadequate for shelter allowances, on two counts:
    (1) It pays only 75% of the difference between 30% of income and market rent vs. 100% for rent supplements.
    (2) It imposes unrealistically low ceilings for acceptable rents.

Yours truly,

Michael Harcourt.

Michael Harcourt
MAYOR

cc: Seniors' Committee

Appendix X

LETTER -- K. SASHAW, CHBA, JUNE 18, 1986

Canadian
Home Builders'
Association of
British Columbia

153.

JUN 23 1986

Suite 750 - 1441 Creekside Drive, Vancouver, B.C. V6J 4S7 Telephone (604) 732-1222

June 18, 1986.

Mr. Jim Cosh
Chairman
Social Housing Commission of Inquiry
1200 - 1177 West Hasting Street,
Vancouver, B.C.
V6E 2K3

Dear Jim:

I wish to extend to the Commission my appreciation for the opportunity to participate fully in the meetings, conferences and workshops in B.C. I sincerely believe that it is critical that the private sector continue to be involved in all discussions on this very important issue.

I was encouraged by the discussion that took place on Tuesday June 17, 1986. I found the ideas that were presented then, were well reasoned and in the best interest of all parties concerned. I must admit to a high level of frustration in preceeding discussions, such as the conference, as it was apparent that self interest and rhetoric precluded any attempt to reach common ground.

There is no doubt that a lot of information and ideas have come out in the open since the establishment of your commission, and I would like to take this final opportunity to highlight what I feel are one of the key issues that the Commission should consider in their deliberations prior to issuing their final report.

REQUIREMENTS FOR SOCIAL HOUSING

The need for social housing appears to revolve around three separate concerns:

1) inadequate income to participate in the existing market;
2) special requirements of the handicapped, the elderly or those facing "life crisis"; and
3) the availability of housing that is suitable to maintain dignity.

Clearly, these three concerns are inextricably intervined, for it is obvious that as income decreases or as the needs of an individual increase, there is a concommittant decrease in the availability of suitable accomodation . It was reassuring to hear a general consensus develop at the June 17 meeting that shelter allowances, especially if it could be incorporated into GAIN or other existing programs, could in fact go along way to addressing the inadequate income concern. As you are aware, CHBA has been solidly behind the concept of shelter allowances for some time.

It is recognized however that shelter allowances do not address the issue of availability especially for those with special needs. This issue was raised rather strongly at the conference. It is true for example that the market has not met the need for wheelchair accessible units to any great degree. This would seem to be an area where use of rent supplements or "bulk leases" may have an effective role in increasing the stock of appropriate units. If a developer could be assured of some long term rental (10 to 15 years) of some of his units through entering into a bulk lease contract at the early stages of design and construction of a multi unit project, he would be more willing to incorporate the necessary requirements into his project. While the unit would revert to the market place at the end of the lease, it would encourage the development of a stock of suitable units without the burdensome process of municipal or provincial regulation being placed on all developers.

COOPERATIVE HOUSING

The most important point that the Commission must consider in the role of co-op housing was that raised by Michael Geller at the conference, and that is that co-op housing is nothing more or less than a form of tenure. It is only because this particular form of tenure was chosen to be the beneficiary of preferential land deals, zoning and financing that it has been able to provide 20% of total units to low income tenants and hence has become synonomous with "social housing". As Gary Santini pointed out in the symposium on social housing hosted by CHBA of B.C., the private sector if given the same preferential treatment could very probably have achieved comparable results, with, I might add, a higher degree of security of tenure. As you suggested in the closing minutes of the June 17 meeting, this is a topic that the private sector will be pursuing.

The Co-op housing movement quite correctly notes that in B.C. they are exceeding the statutory requirements in housing low income tenants. I was encouraged when Gwyn Simmons put this into perspective at the June 17 meeting when he noted that the co-ops have achieved this enviable record by , as he put it, "skimming the cream". It is apparent that the coops still are not effectively meeting the needs of , as Gwyn noted, "the tough nuts". The important role of agencies such as BCHMC in housing the hard-to-house must be recognized.

ROLE OF THE PRIVATE SECTOR

Our Association has long recognized that there are people for whom the market does not work, and we fully support effective social housing programs. We do get concerned when we see what seems to be taxpayers' dollars being given to those who could be participating in the marketplace. As there are only three elements in providing housing (land, money and consumers) any program which competes for any of these elements, or in the case of coops all of these elements, will be perceived as unwarranted intrusion into the efficient working of the marketplace. The private sector does have a role to play in the provision of social housing, and we are prepared to participate in any aspect on a fair and competitive basis.

Jim, I believe that you, Shelly and Jim must be commended for undertaking such a difficult task and bringing to this discussion a high degree of patience, compassion and understanding. I know from my discussions with you and Jim that everyone has been working very hard and diligently in attempting to develop a report on social housing that will be a legacy for all British Columbians. While I feel that it is safe to say that, given the contentious nature of the topic, your final report will be controversial and subject to a high degree of criticism, I know that your commission's dedication and fair mindedness will be appreciated by everyone.

Please feel free to call upon this Association if you require any assistance or clarification.

Yours truly,

Keith Sashaw
Executive Officer

KS/ms

Appendix Y

LETTER -- J. VAN, B.C. REAL ESTATE ASSOCIATION, JUNE 2, 1986

BRITISH
COLUMBIA
REAL ESTATE
ASSOCIATION

205 - 1347 WEST BROADWAY, VANCOUVER, B.C., CANADA V6J 1V6
TELEPHONE (604) 731-2196

jmp S149

JUN 09 1986

June 2, 1986

Ms. Mary H. Kerr
Chairman
British Columbia Housing Management Commission
#1701-4330 Kingsway
Burnaby, B.C.
V5H 3G7

Dear Ms. Kerr:

The British Columbia Real Estate Association agrees with the recommended positions presented by the British Columbia Housing Management Commission in their paper; "A Social Housing Report for British Columbia", with the following exceptions:

a) We are not sure of the reasoning behind limiting housing developments to a maximum of 40 units. We feel better economies of scale can be achieved with larger projects. Federally most co-operatives constructed under 56.1 agreement are in excess of 80 units.

b) We feel that security of tenure to all tenants is not reasonable. If a tenant should advance themselves to a point where they no longer require to be subsidized then they should be subject only to the protection of the Residential Tenancy Act.

c) We feel that 30% rule is too general and should be revised to ensure that only those in need receive subsidized housing.

d) We feel that rent supplements and shelter allowances should play a greater role in solving housing problems.

The remainder of our response will deal in more detail with the last two points mentioned above.

.......2/

RENT SUPPLEMENTS AND SHELTER ALLOWANCES

The British Columbia Real Estate Association agrees with the provincial and federal government's concerns over the cost effectiveness of social housing in relation to the number of people who require assistance. We feel that rent supplements and shelter allowances will be the most effective means of helping the most people while minimizing the cost to the government.

We disagree with the BCHMC that rent supplements and shelter allowances do not encourage new construction. We feel Rental construction is determined by the same supply/demand factors as existing housing. Rent supplements and shelter allowances will increase the demand for better housing and the supply will then follow.

In Washington state they have been using shelter allowances to subsidize tenants and it has worked quite well. Under their Section 8, existing housing program of the U.S. Department of Housing and Urban Development (Exhibit C), the tenant chooses where they would like to live and then the government issues directly to the landlord a monthly cheque to cover the subsidized portion of the rent. In doing this the landlord is assured of receiving an economic rent and the tenant is given better housing which is affordable. Also allowing tenants to choose where they wish to live, the government also achieves their goal of a more balanced community, eliminating slum areas.

In British Columbia the government may also wish to institute rent supplements to qualifying developments. In this way the government can also be assured of the quality of construction of the project. Also, as the developers will be able to budget their occupancy rates and economic rents with more accuracy on the subsidized units, they will be even more willing to construct additional units.

With rent supplements the government can also limit the number of subsidized units per complex thus ensuring a mix of tenants where only those in need are subsidized and not the remaining tenants. Under the 56.1 agreements with CHMC, all the tenants in a Co-operative are subsidized through lower mortgage payments. Because of this the cost of constructing the subsidized housing can be as much as $300,000 per unit with annual operating costs of $47,000 per unit. (Refer to Exhibit A). By using rent supplements the annual operating costs for a similar project would be only $3,750 per unit. (Refer to Exhibit B). Rental supplements in this case could subsidize 12 times the number of people in need than the Co-operative and still ensure a balance community.

.....3/

DETERMINING WHICH TENANTS ARE THE MOST IN NEED OF SUBSIDIZED HOUSING

The 30% rule (that those people who have to pay more than 30% of their household income to rent suitable housing should qualify for subsidized housing) is too general. We feel this rule should be revised.

The 30% household should be increased to properly reflect those who are truly in need of subsidized housing. Lending institutions base mortgage loan servicing on up to 35% of ones household income. If one can purchase a home and make mortgage payments equaling 35% of their income and not require any subsidy then surely one should also be able to put this income towards rent and still live comfortably. We feel that a 35% rule would better reflect who is in need of subsidized housing.

Also, a ceiling should be set on one's income after which they will no longer qualify for subsidized housing. We feel a person who earns $2,000.00 a month should not be subsidized so that he may live in a apartment that rents in excess of $600.00 a month. We feel a maximum income level should be set. This level would have to be arbitrarily set at some base point in time. This level could then be adjusted annually based on an index such as the consumer price index.

By increasing the 30% rule and implementing ceilings on qualifying incomes we feel the government can be assured that only those in need will receive subsidized housing.

Yours truly,

THE BRITISH COLUMBIA REAL ESTATE ASSOCIATION

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Appendix Z

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